ANNUAL REPORT 2019

Witan Pacific Investment Trust plc

Witan Pacific investment trust

CONTENTS

KEY INFORMATION

The Company aims to provide shareholders with capital and income growth from a diversified portfolio of investments in the Asia Pacific region.

Strategy

- Aim to outperform the Company's benchmark, the MSCI AC Asia Pacific Free Index in Sterling terms, over the long term
- Aim to increase the dividend per share in real terms over the long term
- Employ an active multi–manager approach with the aim of adding value and diversifying risk
- Appoint independent portfolio managers to access the wide range of opportunities in the Asia Pacific region, seeking capital return and income growth
- Buy back shares when the Company's shares are standing at a substantial and anomalous discount to their net asset value ("NAV")
- Control costs, seeking to maintain ongoing charges (excluding performance fees, if any) of 1% or less per annum

Why choose Witan Pacific Investment Trust?

- The only UK investment trust with a strategic focus across the entire Asia Pacific region, including Japan, Australia and India: investing in companies operating within this increasingly interdependent region
- A multi–manager strategy which involves the active management both of portfolio managers and the allocations to those managers, to give access to a variety of investment styles and skills, and a broader investment opportunity
- The combination of portfolio managers offers a portfolio of stocks reflecting their best ideas, independent of index weightings and aiming to balance out some of the risks
- Investment performance: a commitment to future outperformance of the benchmark; if outperformance is not achieved in the period from 1 February 2019 to 31 January 2021, then proposals will be put forward including a full cash exit. See Chair's statement for further details
- Growing income: annual regular dividends have increased in each of the past 14 years
- Governance by an experienced, independent Board of Directors

FINANCIAL SUMMARY

for the year ended 31 January 2019

Key data

	2019	2018	% change
NAV per share[1]	**352.54p**	386.58p	↓ −8.8%
Share price[2]	**303.00p**	344.00p	↓ −11.9%
Discount[1]	**14.1%**	11.0%	

Total return

	2019	2018
NAV per share[1]	**−7.4%**	17.3%
Share price[1,2]	**−10.3%**	22.1%
Benchmark[3]	**−5.4%**	17.9%

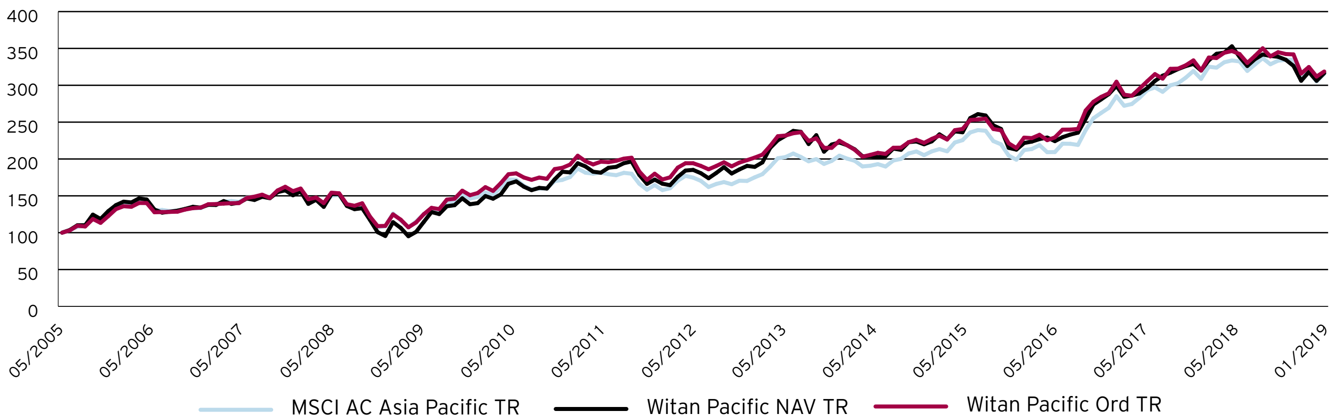
Income

	2019	2018	% change
Revenue per share	**7.88p**	6.52p	↑ 20.9%
Dividend per share	**7.00p**	5.50p	↑ 27.3%

Ongoing charges[1]

	2019	2018
Excluding performance fees	**1.03%**	0.99%
Including performance fees	**1.03%**	0.99%

Total return since inception of the multi-manager structure (31 May 2005)



1 The financial statements (on pages 55 to 73) set out the required statutory reporting measures of the Company's financial performance. In addition to these, the Board assesses the Company's performance against a range of non-statutory reporting criteria which are viewed as particularly relevant for investment trusts ("Alternative Performance Measures"), which are summarised on pages 2 and 3 and explained in greater detail in the Strategic Report, under the heading 'Key Performance Indicators' on page 17. Definitions of the terms used are set out on page 75.

2 Source: Morningstar.

3 Source: Morningstar. The benchmark for Witan Pacific Investment Trust plc is the MSCI AC Asia Pacific Free Index.

LONG-TERM PERFORMANCE ANALYSIS

for the year ended 31 January 2019

Total returns since inception of multi–manager structure (31 May 2005)

	Cumulative return	Annualised return
NAV per share[1]	218.7%	8.9%
Share price[2]	216.6%	8.8%
Benchmark[3]	215.7%	8.8%

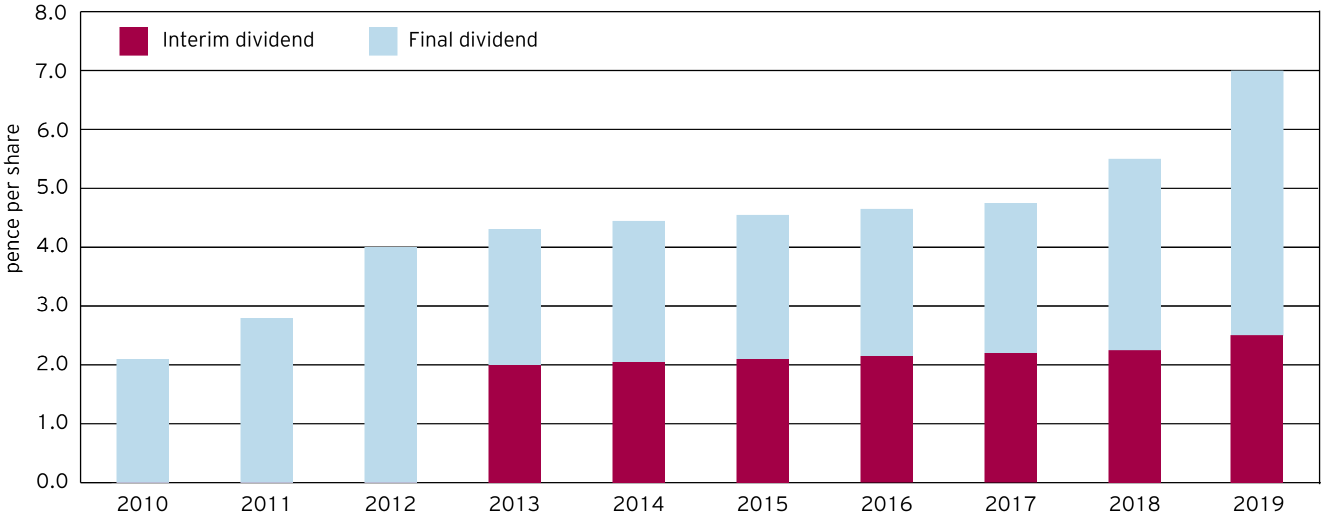
Total returns over each of the past five financial years (twelve months to 31 January)

	2019	2018	2017	2016	2015
NAV per share[1]	**−7.4%**	17.3%	30.7%	−5.6%	17.6%
Share price[2]	**−10.3%**	22.1%	26.1%	−3.5%	16.6%
Benchmark[3]	**−5.4%**	17.9%	35.3%	−5.9%	17.1%

Total returns over three, five and ten years

	3 year return		5 year return		10 year return	
	Cumulative	Annualised	Cumulative	Annualised	Cumulative	Annualised
NAV per share[1]	42.1%	12.4%	57.7%	9.5%	171.2%	10.5%
Share price[2]	38.2%	11.4%	55.4%	9.2%	197.2%	11.5%
Benchmark[3]	50.9%	14.7%	66.2%	10.7%	170.6%	10.5%

10–year dividend record



1 Source: Morningstar/Witan Investment Services. Alternative Performance Measure (see page 75).

2 Source: Morningstar. Alternative Performance Measure (see page 75).

3 Source: Morningstar. The benchmark for Witan Pacific Investment Trust plc is the MSCI AC Asia Pacific Free Index.

CHAIR'S STATEMENT

Market background

Equity markets were volatile during the year with our benchmark, the MSCI AC Asia Pacific Free Index, down 5.4% in sterling terms. The Company's financial year began with markets displaying a sense of optimism but this quickly evaporated as macro–economic and political concerns, including tightening liquidity, rising oil prices, signs of slowing global growth and the US/China trade dispute, intensified. These factors were all seen as being particularly negative for the Asia Pacific region and resulted in our benchmark index being 11.4% lower at one stage. However, as 2018 drew to a close, sentiment started to improve with hopes of progress in US/China negotiations and a softening in US Federal Reserve policy. The oil price reversed its gains, which reduced inflation concerns, and markets rallied in the final weeks of our financial year.

Whereas in the last two years the region performed strongly, this year nearly all countries in our benchmark fell. China performed the worst, returning a negative 13% over the period as the on/off nature of trade negotiations weighed on investor sentiment and economic indicators softened. Indonesia and Thailand were the exceptions, benefiting from an improved economic environment, strengthening currencies and a rapid decline in oil prices in the latter half of the year. These economies are also considered to be less exposed to the knock–on effect of the US/Chinese trade uncertainty than many of their regional peers.

Regional technology stocks retreated on subdued demand and trade–related concerns, compounded by the arrest of Huawei's chief financial officer at the request of US authorities. Consequently, in stark contrast to last year, technology was the worst performing sector in the region, down over 10% (having gained over 40% last year). This compared with a rise of over 12% in the best performing utilities sector which made notable gains, particularly in the final three months of 2018, as investors sought shelter in this traditionally defensive sector as market volatility increased.

Four US rate hikes and the relative strength of the US economy helped boost the US dollar and, as most Asian central banks raised rates throughout the year, their currencies also appreciated against sterling which remained depressed due to Brexit uncertainty. The Japanese yen, which continues to trade at a discount to its US$ Purchasing Power Parity, was particularly strong against sterling over the period.

Performance

The Company's net asset value total return was –7.4% and the share price total return was –10.3%. The benchmark total return was –5.4%. Our two newer managers, Dalton and Robeco, appointed in September 2017, as well as Aberdeen, underperformed the benchmark whilst Matthews marginally outperformed. Our four managers each aim to outperform our benchmark index. As active managers we do not expect them to outperform every year but we do expect outperformance over the medium to long term. It is therefore disappointing to report a third consecutive year of underperformance. Manager performance is covered in detail in the Investment Review which follows my statement.

The Board believes that the Company must justify its actively managed approach and, despite good absolute performance in recent years (with a NAV total return of 42% over three years), it should demonstrate outperformance of its benchmark. Whilst it has marginally outperformed since the inception of the multi–manager approach, it has not done so more recently. Accordingly, the Board announced on 11 February 2019 that if the Company does not deliver NAV total return outperformance of its benchmark over the period from 31 January 2019 to 31 January 2021, the Board will put forward proposals which would include a full cash exit at close to NAV for all shareholders. The Board remains confident that the Company's pan–Asian focus and multi–manager investment strategy can deliver attractive returns and long–term outperformance for shareholders, however the Board believes it appropriate to offer shareholders the opportunity to realise their holding in the Company at close to NAV, in the circumstances described.

SUMMARY

- NAV total return of −7.4% for the year, compared with benchmark −5.4%
- Share price total return of −10.3%
- Final dividend of 4.50p, making 7.00p for the year (+27.3%)
- NAV total return of 218.7% since 2005, compared with benchmark 215.7%
- Net assets £220 million (2018: £244 million)
- Dividend growth of 14.2% per annum annualised over ten years

Shortly after the year end, the Board and the Executive Manager visited all four managers in their regional offices. The purpose of these visits was to carry out ongoing due diligence, engage with investment, governance and operational personnel and to receive a more thorough update on their investment processes than is possible on our regular updates with the key representatives. This biennial review helps us to understand further the culture within the firms, to acquire a deeper knowledge of how our managers implement their various strategies and what we are likely to expect from their portfolios in the years ahead. Following the visit, the Board is comfortable with the continued appointment of the portfolio managers and believes in the ability of their investment approaches to achieve outperformance over time.

Dividend

The Board aims to increase the ordinary dividend in real terms over the long term. It has done so for each of the last fourteen years. Following the interim dividend of 2.50p paid in October 2018, the Board is proposing a final dividend of 4.50p per share. The dividend is fully covered by current year revenue earnings per share, which were 21% higher than in the previous financial year enabling us to increase the dividend and add £0.6m to revenue reserves. Whilst augmented by sterling weakness versus Asian currencies, the majority of this increase was due to increased dividends at local currency level, as portfolio companies enjoyed earnings growth and shareholders benefited from greater distribution levels. Earnings growth in the region has been slowing in recent months, but remains positive. Any impact on the Company's dividend prospects can be mitigated by the Company's sizeable revenue reserves. Subject to shareholder approval, the final dividend will be paid in June, with the shares trading ex-dividend on 16 May 2019. This will make a total dividend of 7.0p per share for the year, a rise of 27.3% on last year and a near four-fold increase on the 1.85p paid 10 years ago. This increased dividend equates to a yield of 2.1% based on the share price at the time of writing of 331.5p*.

Discount

The discount at the year end was 14%. In line with our policy, we have continued to buy back shares when the discount to NAV is at a substantial and anomalous level. During the year, we repurchased 852,346 shares at a cost of £2.7m at discounts ranging from 18% to 12%. This added approximately 0.8p per share of value. The discount narrowed following our announcement on 11 February 2019 and at the time of writing is 11%*.

Outlook

Markets have made a strong start to 2019, although ongoing macro-political concerns are likely to cause bouts of increased volatility, such as the uncertainty experienced in February and December 2018. However, many of these risks appear reasonably well recognised, with all but the worst outcomes for trade negotiations, elections (in India and Indonesia) and failure of renewed Chinese stimulus, reflected to some degree in prices. The lower oil price should be beneficial for the region and valuations are below historic norms and comparators outside the region. Our managers' portfolios appear well positioned to benefit from the steady, if unspectacular, rate of global economic growth and from any re-rating of the region, relative to western markets. The continued improvement in the underlying earnings per share and dividend payments received from our investee companies should also be beneficial to the rating of our portfolio over time.

Board composition

Diane Seymour-Williams will not be seeking re-election at the forthcoming Annual General Meeting having completed nine years of service. The Board would like to express its appreciation for her valued contribution to the Company during her tenure.

Annual General Meeting

The Annual General Meeting ("AGM") of the Company will be held at Chandos House, 2 Queen Anne Street, Marylebone, London W1G 9LQ on 12 June 2019 at 2.30pm. There will be portfolio manager video presentations and my Board colleagues and I look forward to meeting you then. In the meantime, should you wish to get in touch with me please do so via the Company Secretary whose details are below.

Susan Platts-Martin
Chair
25 April 2019

Company Secretary contact details:
Link Company Matters Limited
Beaufort House, 51 New North Road, Exeter EX4 4EP
email: WitanPacificInvestmentTrustplc@linkgroup.co.uk

* As at 23 April 2019, the latest practicable date.

INVESTMENT REVIEW

for the year ended 31 January 2019

Performance summary

Manager performance

In the market environment described in the Chair's Statement, where 'top–down', macroeconomic inputs often trump company fundamentals, stock pickers, such as our managers, tend to struggle for short–term performance. On the flip side, such dynamics can often uncover significant investment opportunities for long–term investors.

It was a disappointing year for our managers. Witan Pacific's NAV total return was −7.4%. The gross contribution from portfolio returns was −6.7%, which equates to an underperformance of 1.3% versus the benchmark total return of −5.4%. Share repurchases at a discount to NAV generated a positive contribution of 0.2% while expenses (including management fees) detracted circa 1% from the NAV total return. Three of our four managers underperformed the benchmark over the full year. Dalton and Robeco underperformed the benchmark by 7.1% and 1.8% respectively. Both endured a particularly difficult fourth quarter as markets sold–off aggressively and largely ignored the underlying fundamentals of the businesses they own, which were already attractively priced. Although both managers follow a 'value' philosophy, this was not the defining factor in their short–term underperformance, which was largely the result of a small number of stock specific factors which, in general, appear to be a market pricing issue rather than a decline in company fundamentals. Dalton has found performance since appointment to be particularly challenging. Their portfolio is highly concentrated, with approximately 25 holdings which are largely small–cap in nature.

Often these companies require some change in management strategy or investor perception for their inherent value to be fully reflected in the market price. The manager will only make a new investment if he expects the share price to double (at least) within three to five years. The nature of these investments means that it can be hard to predict when the expected returns will materialise. The Board was cognisant of this when allocating a smaller proportion of the portfolio to Dalton. The Board gained in–depth information on the portfolio on its recent visit to Dalton's office and remains confident that their strategy is an attractive one for our shareholders, even if their early tenure has not yet produced positive results. Both Dalton and Robeco consider sentiment against the companies within their portfolios to be excessively negative and are enthusiastic about the prospects for their portfolios, especially as valuations now appear to be depressed.

Aberdeen also underperformed the benchmark but by less than 1%. Their focus on quality allowed them to close the gap in performance terms since we last reported at the half–year stage, with an outperformance over the last six months of 0.6%. Aberdeen has undergone significant corporate change this year as the merger with Standard Life has been effected and we will continue to monitor how the enlarged group adjusts to its new structure.

Matthews ended the period just ahead of the benchmark having been 1.5% ahead at the half–year stage. Their performance, which was strongly positive until October, was impacted by a small number of stocks sensitive to US/China trade negotiations and by an overweight position in some defensive sectors as markets rallied sharply in January. Over

Portfolio manager performance for the year ended 31 January 2019 and from appointment to 31 January 2019

Details of the portfolio manager structure in place at the end of January 2019 are set out in the following table, showing the proportion of Witan Pacific's assets each managed and the performance they achieved:

				Performance		Annualised performance[2]	
	Appointment date	Managed assets[1] £m	Managed assets[1] %	Manager %	Benchmark %	Manager %	Benchmark %
Matthews	30 April 2012	89.1	40.6	−5.3	−5.4	+11.3	+9.6
Aberdeen	31 May 2005	55.6	25.3	−6.2	−5.4	+10.4	+8.8
Robeco	28 Sept 2017	54.7	25.0	−7.2	−5.4	+1.0	+2.1
Dalton	28 Sept 2017	20.0	9.1	−12.5	−5.4	−7.4	+2.1

Source: BNP Paribas. All performance figures are disclosed on a pre–fee basis.

Notes:

1 Excluding cash balances held centrally by the Company.

2 Since appointment.

the longer term, since their respective appointment dates, both Aberdeen and Matthews remain ahead of the benchmark by 1.6% and 1.7% on an annualised basis. Robeco and Dalton are yet to deliver the returns we believe that they can achieve.

Portfolio composition

There were 15 new entrants to the list of top 50 stocks during the year. Most were the result of additions to existing portfolio positions while others were due to good relative performance increasing their weighting in the portfolio list. There were five new purchases within the top 50 (China Resources, WH Group, Huaneng Power, Saigon Beer and HKBN), brief descriptions of these companies are included on page 12. Two of last year's top 50 holdings (Sands China and Mitsubishi UFJ Financial) were sold. Around 30 holdings, out of a total of circa 200, were fully exited during the year while approximately 40 new investments were made. Among the sales were some long-held positions, such as Singapore Tech Engineering and KDDI Corporation. New additions include Sunny Optical, Wuxi Biologics, Ricoh, Rinnai Corporation and China Education.

It is notable that a number of new positions are Chinese companies. This reflects the increase in relevance that this market has in a regional context and growth in the number of opportunities available to our managers whether listed in Hong Kong or, more recently, in China. The opening-up of the Chinese market to foreign investors is creating significant investment opportunities for our managers, although they caution that the identification of quality companies, at an attractive valuation, remains paramount.

Investors are reminded that the Company's overall portfolio is the result of the individual stock selection decisions of our four third-party investment managers and that the asset allocation referred to above is a by-product of these stock selection decisions. While the Board is comfortable that the portfolio will look quite different from the benchmark in stock-level composition as well as in asset allocation, and welcomes such characteristics, it is cognisant that these 'active' positions must be monitored to ensure that portfolio risks are understood. This task is carried out by the Executive Manager which monitors the individual and combined portfolios and reports to the Board at least four times a year. The Board can, if desired, rebalance the manager line-up to address any imbalances with which it is uncomfortable or to exploit what it considers to be the relative prospects for each manager.

The Active Share, which is a commonly used measure of how similar or different a portfolio is from its benchmark (where 0 is identical and 100 bares no commonality), is 73% (2018: 72%). We also monitor how the portfolio is valued in absolute terms and how it compares to the benchmark. At the year-end, the forecast Price/Earnings Ratio (a measure of how cheap or expensive a stock is) was 12.5 compared to 12.7 for the benchmark and, by way of comparison, 14.5 for global equities and 16.5 for US equities. This indicates that, at least on this measure, Asian equities are 12.5% cheaper than their global peers and 25% cheaper than US counterparts while Witan Pacific's portfolio is marginally cheaper than its own benchmark.

Investment income received by Witan Pacific has grown at an annualised rate of approximately 11% since January 2016. This has been driven by an increase in earnings and the dividend pay-out ratio of companies within the portfolio. The current dividend yield of the portfolio (on a 12 month forward forecast basis) is circa 3%. Although earnings growth expectations for the coming year are somewhat more subdued, and the impact of exchange rates or political and economic developments cannot be predicted, this does indicate that Asian equities should now be considered at least on a par with many developed markets as a source for yield as well as growth.

As noted by the Chair, the Board undertook its biennial due diligence programme in Asia in February 2019. A notable theme this year was how our fund managers and Asian corporations appear to be taking their Environmental, Social and Governance (ESG) responsibilities increasingly seriously, not because they are wanting to 'tick a box' but because there is a genuine belief that 'good' businesses provide better returns to shareholders than 'bad' businesses. All four of our managers have personnel responsible for this aspect of investment research which helps them factor in ESG issues either to filter out or help value potential investments. This should enable them to avoid companies with poor corporate governance, unacceptable employment practices and companies which are failing to adhere to generally accepted standards which could lead to their ultimate demise. This due diligence is also helping our managers engage with otherwise attractive investee companies which could improve standards so that they meet with a higher ESG threshold often required of western corporations.

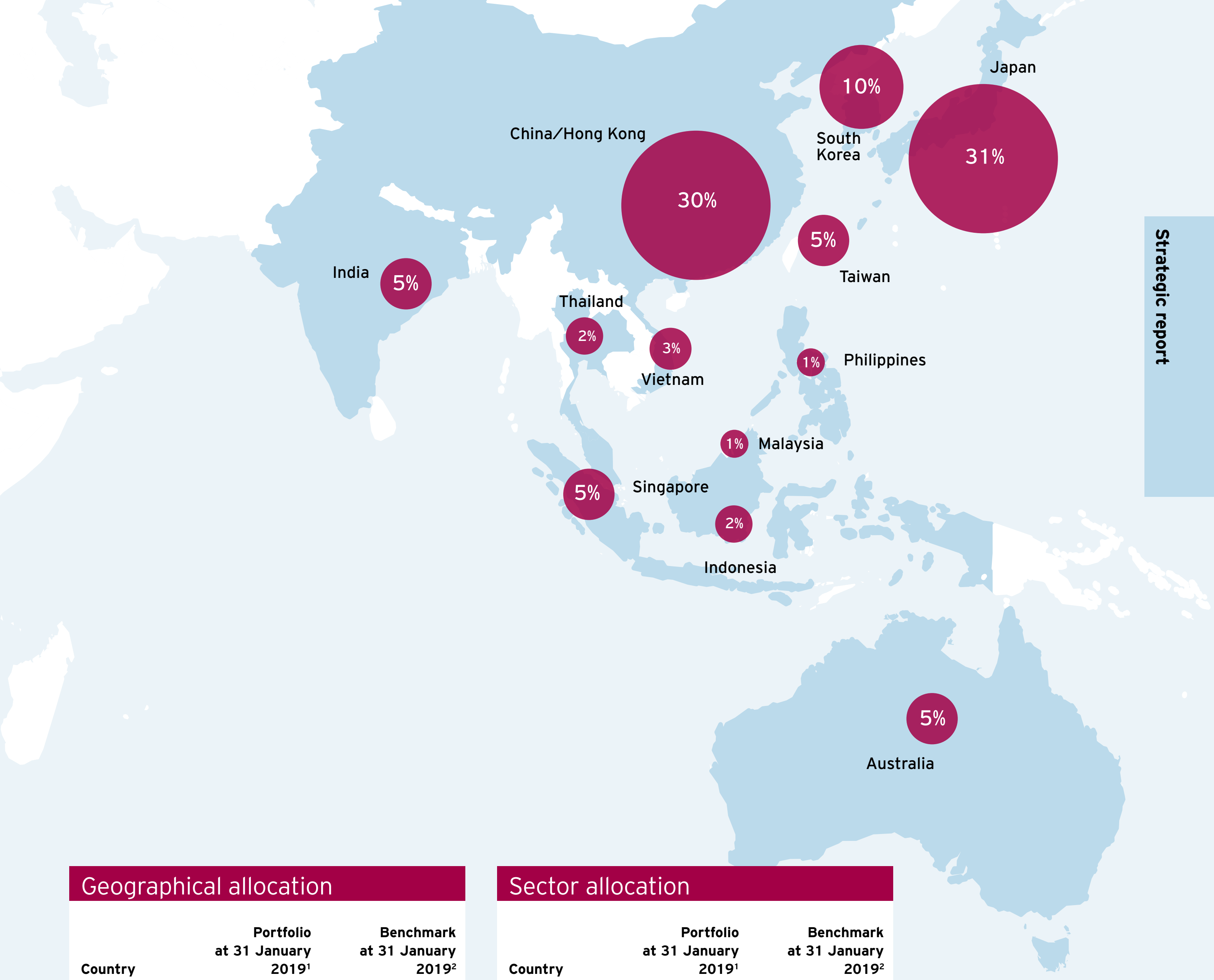
INVESTMENT REVIEW continued

Outlook

Our managers endured a number of negative influences last year. Each exerted its own pressure on global (and Asian) equities but, by the end of the year, markets appear to have shrugged off the majority of these concerns as, one by one, the threats receded or, at least, did not materialise to the extent that investors feared they might. This leaves equity markets in general, and Asian markets in particular, at relatively low valuations, with some of the risk factors priced in to some degree. This means that, barring a recession or significant policy mistake, we remain confident of the long–term prospects for Asian equities in general and our portfolio in particular. Despite the significant rally in January, 2019 has started with sentiment remaining more pessimistic than a year ago and, whilst political concerns remain, many of the known risks appear to be factored in. It seems reasonable to expect, therefore, given current equity valuations and interest rates remaining low, that markets should allow selective and patient investors, such as our managers, to thrive in the long term as company fundamentals come back to the fore and valuations begin to reflect the long–term potential of good quality businesses.

PORTFOLIO INFORMATION

as at 31 January 2019



Geographical allocation

Country	Portfolio at 31 January 2019[1]	Benchmark at 31 January 2019[2]
Australia	5%	11%
China/Hong Kong	30%	25%
India	5%	5%
Indonesia	2%	1%
Japan	31%	38%
Malaysia	1%	1%
Philippines	1%	1%
Singapore	5%	2%
South Korea	10%	8%
Taiwan	5%	6%
Thailand	2%	2%
Vietnam	3%	-
	100%	**100%**

1 Source: BNP Paribas – portfolio represents investments excluding cash.
2 Source: MSCI.

Sector allocation

Country	Portfolio at 31 January 2019[1]	Benchmark at 31 January 2019[2]
Communication Services	8%	10%
Consumer Discretionary	14%	14%
Consumer Staples	14%	6%
Energy	3%	3%
Financials	17%	21%
Health Care	5%	6%
Industrials	9%	12%
Information Technology	12%	12%
Materials	7%	7%
Real Estate	5%	6%
Utilities	3%	3%
Other	3%	-
	100%	**100%**

1 Source: BNP Paribas.
2 Source: MSCI.

PORTFOLIO INFORMATION continued

Portfolio manager information

Matthews Asia®

Matthews International Capital Management LLC ("Matthews Asia") is an independent, privately owned firm, and the largest dedicated Asia investment specialist in the United States. Matthews believes in the long–term growth of Asia and employs a bottom–up, fundamental investment philosophy with a focus on long–term investment performance. As at 31 December 2018, Matthews Asia had US$27.4bn in assets under management.

Strategy

The Company is invested in a segregated portfolio that is managed according to the Matthews Asia Dividend Strategy; the Lead Portfolio Manager is Yu Zhang, CFA, and the Co–Managers are Robert Horrocks, PhD, Vivek Tanneeru and Sherwood Zhang, CFA. The Asia Dividend Strategy employs a fundamental, bottom–up investment process to select dividend paying companies with sustainable long–term growth prospects, strong business models, quality management teams and reasonable valuations. The Asia Dividend Strategy is a total–return strategy focused on a balance between stable dividend yielding companies and companies with attractive dividend growth prospects, in order to provide both capital growth and a sustainable dividend yield. The strategy invests in companies of all sizes and has significant exposure to small and mid–cap stocks.

AberdeenStandard Investments

Aberdeen Asset Managers Limited ("Aberdeen") is a subsidiary of Aberdeen Asset Management PLC and part of the Standard Life Aberdeen PLC group of companies. Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments. Aberdeen has delegated management of the Company's assets to Aberdeen Asset Management Asia Limited (also part of the Standard Life Aberdeen PLC group of companies) which was established in Asia in 1992 and, as at 31 December 2018, was managing £48.5bn of assets in Asia. The Asian equity team, made up of over 40 fund managers in the region, is headed up by Flavia Cheong. The team follow a fundamental investment style emphasising the identification of good quality companies on reasonable valuations relative to their growth potential.

Strategy

Aberdeen follows a stock–picking approach of investing in good quality, well–managed and soundly–financed companies trading at attractive valuations, with the expectation of holding them for extended periods in order to benefit from the compounding of those companies' growth. Corporate governance and the alignment of management with shareholders' interests are additional important factors. Aberdeen will, from time to time, use their own UCITS funds to gain cost effective exposure to certain regional markets. This is achieved by investing in 'zero fee' class units so that it does not affect Aberdeen's overall remuneration.

ROBECO
The Investment Engineers

Robeco Institutional Asset Management B.V. ("Robeco") is an international asset management company founded in 1929. It currently has 17 offices worldwide and is headquartered in Rotterdam, the Netherlands. Robeco is owned by ORIX Corporation, a Tokyo–listed financial services group. The Asian equity team (headed by Arnout van Rijn) has been in place since 1990 and manages US$7.0bn as at 31 December 2018 out of its office in Hong Kong.

Strategy

Robeco's investment approach combines a value approach with awareness of business and price momentum with the aim of constructing portfolios of attractively–valued shares while avoiding value traps. Whilst their portfolio may have similar geographic weightings to the benchmark, it will tend to look very different from the benchmark as it has a high active share which is the result of active bottom–up stock selection. The aim is for performance to be driven by stock selection rather than country, macro–economic or political factors.

Dalton Investments

Dalton Investments LLC ("Dalton") is an independent investment boutique established in Santa Monica, California in 1999. Dalton manages US$3.6bn (as at 31 January 2019) in strategies focused on Asian, global and emerging market equities. The firm is independently owned by its founders, each of whom has over 30 years of investment experience.

Strategy

Dalton's Asia strategies are managed by James B. Rosenwald III, co–founder of Dalton Investments and noted authority on Asia equity investment. He is supported by multi–cultural, multi–lingual analyst teams located in Los Angeles and Tokyo and dedicated Asia traders based in Los Angeles. Dalton is in the process of opening up an office in Mumbai (regulatory license pending). Dalton follows a disciplined value investment process to identify good businesses trading at a significant discount to intrinsic value and whose management share an alignment of interest with shareholders.

TOP FIFTY INVESTMENTS

as at 31 January 2019

Rank	Description	Country	% of total investments	Value £'000
1	**Taiwan Semiconductor** The world's largest dedicated semiconductor foundry	Taiwan	2.3	5,071
2	**Seven & I Holdings** Japanese convenience store operator with over 50,000 7–Eleven stores worldwide	Japan	2.1	4,615
3	**Aberdeen Global Indian Equity Fund** UCITS fund providing cost–effective access to a concentrated portfolio of Indian equities	India	2.0	4,229
4	**Samsung Electronics** Global market leader in semiconductors, mobile phones, televisions and OLED panels	South Korea	1.7	3,621
5	**Minth Group** Auto–parts manufacturer with clients representing over 80% of the world's car production	China	1.6	3,516
6	**China Construction Bank** CCB provides banking services to public, corporate and private sectors throughout China	China	1.6	3,439
7	**Shenzhou International** Chinese textile manufacturer supplying the global branded sports goods and casual–wear market	China	1.4	3,043
8	**Aberdeen Global China A Share Fund** UCITS fund providing cost–effective access to a concentrated portfolio of Chinese equities	China	1.4	3,038
9	**Hyundai Mobis** Korean based manufacturer of automotive and environmental products with global operations	South Korea	1.4	3,024
10	**China Petroleum (Sinopec)** China's largest petrochemical company with global operations	China	1.3	2,840
11	**China Mobile** China's largest mobile operator with the world's largest mobile network and customer base	China	1.3	2,804
12	**LG Chemical** Speciality chemicals used in life sciences, mobile phones, OLED and innovative battery markets	South Korea	1.3	2,773
13	**Japan Tobacco** Global tobacco, pharmaceutical and processed food company with operations in 120 countries	Japan	1.3	2,757
14	**Rohm** IC and semiconductor manufacturer for industrial, automotive, home appliance, mobile and PC use	Japan	1.2	2,633
15	**NTT DoCoMo** Japan's largest telecoms company	Japan	1.2	2,628
16	**United Overseas Bank** Singaporean multinational banking organisation with over 500 offices in 19 countries	Singapore	1.2	2,509
17	**Anritsu Corporation** Electronic systems, instruments and devices chiefly in the information and communication fields	Japan	1.1	2,388
18	**BGF Retail** A food and beverage retail chain operating over 8,000 convenience stores throughout South Korea	South Korea	1.1	2,277
19	**Kao Corporation** Speciality chemicals, edible oils/acids and beauty, healthcare and homecare products	Japan	1.0	2,244
20	**BHP Group** Australian multinational resources company with interests in metals, mining and petroleum production	Australia	1.0	2,163
21	**Hoya Corporation** Japanese manufacturer of glass products for optical, electronic and medical applications	Japan	0.9	1,975
22	**Tencent Holdings** Chinese internet and mobile value–added service provider	China	0.9	1,967
23	**Misumi Group** Worldwide distribution of precision machine parts, automation components and industrial supplies	Japan	0.9	1,946
24	**Nitori Holdings** Design and sale of home and business furniture and decorative products across Japan and China	Japan	0.8	1,787
25	**Pigeon Corporation** Manufactures baby, maternity and elderly care products distributed in Japan, China and across Asia	Japan	0.8	1,741

Rank	Description	Country	% of total investments	Value £'000
26	**CK Hutchison** Holding company including ports, telecoms, retail, infrastructure, energy and leasing operations	Hong Kong	0.8	1,706
27	**China Resources Power** Chinese power generation company with 132 power plants across mainland China	China	0.8	1,679
28	**Bank Central Asia** One of South–East Asia's largest banks offering financial services to both individual and business customers	Indonesia	0.8	1,620
29	**DBS Group** Full service investment bank involved in consumer banking, brokerage and asset management	Singapore	0.7	1,570
30	**AIA Group** A leading insurance and wealth management service provider in the Asia Pacific region	Hong Kong	0.7	1,530
31	**Thai Beverage** Thailand's largest beverage company with overseas operations in Scotland, Singapore and China	Thailand	0.7	1,509
32	**WH Group** Chinese meat and food processing company	China	0.7	1,490
33	**Globe Telecom** Provider of mobile and fixed–line telecoms services to Philippine individuals and business consumers	Philippines	0.6	1,392
34	**Huaneng Power** One of China's top 5 power producers	China	0.6	1,389
35	**Beijing Cap Intl Airport** Asia's busiest airport by passanger numbers and a leading cargo hub	China	0.6	1,374
36	**ITC** Indian consumer staples company with packaging and hotel subsidiaries	India	0.6	1,371
37	**Japan Exchange** Asia's largest stock exchange by market cap and third largest by trading volume	Japan	0.6	1,366
38	**Mitsui Fudosan** Japanese real estate developer focusing on residential, office, leisure and logistics sectors	Japan	0.6	1,363
39	**Saigon Beer** Market leading Vietnamese brewer, distiller and soft drink producer	Vietnam	0.6	1,362
40	**Anhui Conch Cement** China's largest cement manufacturer	China	0.6	1,351
41	**Breville Group** Manufacturer of small domestic appliances marketed under various brands around the world	Australia	0.6	1,334
42	**Keyence Corporation** Manufactures and sells sensors and measuring instruments used in factory automation equipment	Japan	0.6	1,324
43	**T&D Holdings** Japanese life insurance and financial services business	Japan	0.6	1,316
44	**China Gas** Natural gas and LPG distribution and sales to domestic, commercial and industrial users across China	China	0.6	1,299
45	**Fuji Seal** Global food and consumer products packaging and packaging machinery company headquartered in Japan	Japan	0.6	1,279
46	**Sun Art Retail** Leading Chinese hypermarket operator with 450 sites in over 200 cities as well as a strong online presence	China	0.6	1,271
47	**Sumitomo Mitsui Financial** One of the market leaders in the Japanese banking and financial services industry	Japan	0.6	1,270
48	**HKBN** Hong Kong based broadband network provider with mobile broadband licence	Hong Kong	0.6	1,262
49	**United Tractors** The leading distributor and lessor of heavy equipment and construction machinery in Indonesia	Indonesia	0.6	1,242
50	**Vinh Hoan Corp** Vietnamese aquaculture and fish processing business with high ESG credentials	Vietnam	0.6	1,232

The value of the fifty largest holdings represents 48.8% (31 January 2018: 51.8%) of the Company's total investments. The full portfolio listing is published monthly (with a three–month lag) on the Company's website. The country shown is the country of incorporation or, in the case of funds, the country of risk.

CORPORATE REVIEW

Witan Pacific is an investment trust, which was founded in 1907 and has been listed on the London Stock Exchange since its foundation. It operates an outsourced business model, under the direction and supervision of the Board of Directors.

Strategic Report

The Strategic Report on pages 2 to 22 of the Annual Report and Accounts has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. Its purpose is to provide information to the shareholders of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

Strategy and investment policy

Investment policy

The Company's investment objective is to provide shareholders with capital and income growth from a diversified portfolio of investments in the Asia Pacific region designed to outperform the MSCI AC Asia Pacific Index in sterling terms.

Since 2005, the Company has followed a multi–manager approach, using a blend of active portfolio managers with the aim of outperforming the benchmark. The investment policy includes investments in a wide range of regional markets, including the main Southeast Asian and North Asian markets as well as Japan, India and Australia. The range of investment opportunities for the portfolio managers is not limited to the constituents of the benchmark or benchmark weightings. This means that Witan Pacific's portfolio is likely to differ from the benchmark. Witan Pacific invests primarily in equities: in normal circumstances the Board expects the portfolio's equity exposure to be a minimum of 90% of net assets. Therefore, the overall performance of regional equity and currency markets and the operating performance of specific companies selected by the managers is likely to have the most significant impact on the performance of the Company's net asset value.

Investment risk is managed through:

- the selection of at least two portfolio managers. Details of the proportion of assets managed by them are set out on page 6;
- the portfolio managers are required to spread their investments over a number of securities within the region;
- monitoring of portfolio manager performance and portfolios. Portfolio manager performance against the benchmark is set out on page 6; and
- monitoring of sector and country allocations of the manager portfolios and of the resulting combined portfolio.

Implementation of the investment policy in the year

During the year, the Company invested its assets with a view to spreading investment risk and, in accordance with the investment objective set out above, maintained a diversified portfolio, the analysis of which is shown on pages 9, 12 and 13.

The Directors receive regular reports on investment activity and portfolio construction at meetings of the Board, as well as periodically outside of these meetings.

The Board holds an annual strategy meeting. The Directors use the strategy day to consider, amongst other things, the relevance of the investment mandate, the multi–manager approach, the marketing of the Company and the discount. The Board continues to believe that the Company's offering of a broad Asia Pacific mandate, implemented through a carefully selected group of managers, is an attractive and distinct proposition for shareholders. It further believes that, if superior returns are achieved over the long term, the discount should narrow. As a result of its strategy discussions in February, the Board announced that it is committed to securing outperformance of the benchmark and that, if outperformance is not achieved between 1 February 2019 and 31 January 2021, proposals will be put to shareholders, including a full cash exit at close to NAV. In the meantime, the Company will maintain its marketing programme and buy–back policy.

The Company sponsors an ongoing marketing programme provided by WIS. This programme communicates with private investors and their financial advisers, as well as professional investors, to help them make informed decisions about whether investing in the Company's shares can help them to meet their investment objectives.

The unbundling of investment management from the Company's other necessary services has provided transparency of the Company's cost base as well as flexibility in case it becomes desirable to change the service provider in a particular area. The Board takes care to ensure strict monitoring and control of costs and expenses.

Please also see the Chair's Statement and the Investment Review for further commentaries on the year.

Business model

The Company is an investment trust and aims to provide shareholders with capital and income growth from a diversified portfolio of investments in the Asia Pacific region. The Board achieves this through:

- the selection of suitable portfolio managers;
- the choice of investment benchmark;
- investment guidelines and limits;
- the appointment of providers for other services required by the Company; and
- the maintenance of an effective system of oversight, risk management and corporate governance.

The Board's role in investment management

Although the Board retains overall risk and portfolio management responsibility, it appointed the portfolio managers after a disciplined selection process focused on their scope to add value and their fit with the overall balance of the portfolio. The selection of individual investments is delegated to these external portfolio managers, subject to investment limits and guidelines which reflect the particular mandate and the specific investment approach which the Company has selected (e.g. quality, value, dividend growth etc.).

The portfolio is managed in four segregated accounts, held at the Company's custodian. This enables the Company to view the portfolio as a whole and to analyse its risks and opportunities as well as those at the level of each portfolio manager's portfolio.

Information regarding the proportion of Witan Pacific's assets managed by each and of their performance during the year is set out on page 6.

Our selected benchmark

The Company's benchmark is a reference point for a comparison of results from an investment in Witan Pacific. The benchmark is the MSCI AC Asia Pacific Free Index in sterling terms, with gross dividends reinvested ("MSCI Index" or "benchmark").

The benchmark is a widely diversified regional index which includes the principal countries in the Asia Pacific region.

The portfolio managers select stocks which they consider attractive, wherever they are located in the region. As a result, the geographical location of the holdings differs from the benchmark. The geographical distribution of the portfolio and of the benchmark are set out in the map and table on page 9.

CORPORATE REVIEW continued

Priorities for the year ahead

For the year ending 31 January 2020, the key priorities for Witan Pacific include:

- **Investment.** Monitor and manage the portfolio managers with the objective of delivering outperformance of the benchmark to shareholders whilst assessing the risk approach of each portfolio manager. The Board is committed to securing outperformance of the benchmark and therefore announced that, if outperformance is not achieved between 1 February 2019 and 31 January 2021, proposals will be put to shareholders, including a full cash exit at close to NAV.
- **Governance.** Ensure effective oversight of all service providers and compliance with all applicable rules and guidelines, and monitor supplier risk including cyber risk.
- **Costs.** Monitor and manage costs carefully, with a view to achieving an ongoing charges ratio in line with the Company's target of 1% or less per annum.
- **Dividends.** Continue to grow the dividends in real terms.
- **Marketing and Communications.** Communicate Witan Pacific's active multi–manager approach, highlight the distinct pan–Asian investment remit to existing and potential shareholders and raise the profile for retail investors. The marketing programme, in combination with the buy–back policy, aims to reduce the Company's discount over time.

Dividend policy

The Company aims to grow its dividend in real terms over the long term. The Company has substantial levels of revenue reserves available to smooth the effect of temporary fluctuations in dividends from investments, where this is viewed as prudent and beneficial for shareholders. Shareholders agreed at the 2013 AGM to amend the Articles of Association ("Articles") to permit the distribution of Capital Reserves as dividends. The Company has stated that this is to confer flexibility in pursuing its investment objectives and that it would be the norm for dividend payments to be funded from revenue over the cycle.

The Company paid a final dividend for the previous year of 3.25p in June 2018 and an interim dividend of 2.50p in October 2018 for the year under review. The latter payment compared to a 2.25p interim dividend the year before. The Company has proposed a final dividend for 2018/19 of 4.50p, making a total payment for the year of 7.00p per share. This is an increase of 27.3% on the previous year, which compares with a 1.8% rise in the Consumer Price Index ("CPI") during the year.

KEY PERFORMANCE INDICATORS

The Board monitors success in implementing the Company's strategy against a range of Key Performance Indicators ("KPIs") which are viewed as significant measures of success over the longer term. Although performance relative to the KPIs is also monitored over shorter periods, it is success over the long term that is viewed as more important, given the inherent volatility of short–term investment returns. The principal KPIs are set out below, with a record (in italics) of the Company's performance against them during the year.

NAV total return and total shareholder return.[1] Long–term outperformance of the combined portfolios compared with the benchmark is a key objective.	*The NAV total return was −7.4%, underperforming the benchmark total return of −5.4%, while the share price total return was −10.3%. Since the adoption of the multi–manager strategy in 2005, the NAV total return was 218.7%, outperforming the benchmark return of 215.7%. The share price total return was 216.6%.*
Investment performance by the individual portfolio managers. Long–term outperformance relative to the benchmark is sought.	*Over the year, Aberdeen, Dalton and Robeco underperformed the benchmark, while Matthews outperformed. Aberdeen and Matthews have both outperformed the benchmark since appointment. Dalton and Robeco have both underperformed since appointment in 2017. Details are shown in the table on page 6.*
Annual growth in the dividend. The Company's aim is to deliver increases in real terms, ahead of UK inflation.	*The dividend for the year ended 31 January 2019 rose (subject to shareholder approval) by 27.3%, compared with an inflation rate (CPI) of 1.8% during the year. Since the adoption of the multi–manager strategy, dividends have grown at an annualised rate of 14.5% compared with an annualised inflation rate of 2.4%.*
Discount to NAV.[1] Avoid excessive fluctuations in the discount and avoid a discount which is anomalously wide compared with other trusts investing in the region by the use of share buy–backs, subject to market conditions.	*The discount ended the financial year at 14.1% compared with 11.0% a year earlier. The average discount of the Company over the year was 14.6% (2018: 13.3%).* *The Board recognises that this discount is wider than other Trusts investing in the region, and the Company has therefore bought back 852,346 shares during the year (1.3% of shares in issue (excluding treasury shares) at the prior year end), which both mitigated discount volatility and added 0.8p to net asset value.* *Since the announcement on 11 February 2019, referred to in the Chair's Statement on page 4, the discount has narrowed and, as at 23 April 2019, stood at 11%.*
The level of ongoing charges.[1] Costs are managed with the objective of delivering an ongoing charges figure of less than 1% (excluding performance fees). Where higher charges arise, these are carefully evaluated to ensure there is a net benefit for shareholders. The increasingly stringent regulatory environment has resulted in additional pressure on costs. The Board considers its level of costs remains competitive compared to similar investment opportunities.	*The ongoing charges figure was 1.03% (2018: 0.99%).* *The increase in the ongoing charges mainly reflects increased portfolio manager costs following the manager changes in 2017. Other expenses fell during the year (see analysis on page 20).*

1 Alternative Performance Measure not defined under UK GAAP (for definitions see Glossary on page 75).

CORPORATE REVIEW continued

Gearing and the use of derivatives

Borrowings and gearing
The Company has the power under its Articles to borrow up to 100% of the adjusted total of capital and reserves. However, in accordance with the Alternative Investment Fund Managers' Directive ("AIFMD"), the Company was registered by the FCA as a Small Registered UK Alternative Investment Fund Manager ("AIFM") with effect from 1 April 2014. To retain its Small Registered UK AIFM status, the Company is unable to employ gearing. It is therefore the Company's approach not to employ gearing, subject to periodic review of the costs and benefits of full AIFM authorisation.

The Company's segregated portfolio managers are not permitted to borrow within their portfolios, but may hold cash if deemed appropriate.

Use of derivatives
The Company's delegated managers are not permitted to use derivatives or to gear their portfolios, nor does the Company use derivatives itself.

Market liquidity and discount

The Board believes that it is in shareholders' interests to buy back the Company's shares when they are standing at a substantial and anomalous discount to the Company's NAV. The objective is to avoid excessive fluctuations in the discount and avoid a discount which is anomalously wide compared with other trusts investing in the region by the use of buy–backs, subject to market conditions. The purchase of shares priced at a discount to NAV per share will, all other things being equal, increase the Company's NAV per share and benefit the Company's share price. During the year, the Company bought back 852,346 shares into treasury, at times when supply and demand in the market were out of balance and the discount was particularly wide. This added 0.8p to NAV per Ordinary share.

Since the year end to 23 April 2019, the Company has repurchased a further 516,959 Ordinary shares, which have been placed into treasury. Treasury shares may only be reissued at a premium to the prevailing NAV.

Witan Pacific is an investment trust, so the purpose of "marketing" is to provide effective communication of developments at the Company to existing and potential shareholders to help sustain a liquid market in the Company's shares. Clear communication of the Company's investment objective and its success in executing its strategy make it easier for investors to decide how Witan Pacific fits in with their own investment objectives. Other things being equal, this should help the shares to trade at a narrower discount, from which all shareholders would clearly benefit.

In view of these potential benefits, the Company has felt for many years that it is beneficial to incur the limited costs of operating a marketing programme (through WIS) in order to disseminate information about our investment strategy and performance more widely. This programme communicates with private and professional investors, financial advisers and intermediaries using a range of media (including direct meetings, press interviews and advertising through traditional media and the internet). The Company also provides an informative and easy to use website (www.witanpacific.com) to enable investors to make informed decisions about including Witan Pacific shares in their investment portfolios.

Corporate and operational structure

Investment management arrangements

Each of the portfolio managers, Aberdeen, Dalton, Matthews and Robeco, is entitled to a base management fee, levied on the assets under management. The base management fee rates for managers in place at 31 January 2019 ranged from 0.2% to 0.85%. The weighted average base management fee was 0.56%. In addition, one portfolio manager (which is also entitled to the lowest base fee) is entitled to a performance fee, calculated according to investment performance relative to the benchmark. These agreements can be terminated on one month's notice. Further details on fee arrangements are set out on page 26.

The Company's external portfolio managers may use certain services which are paid for, or provided by, various brokers. In return, they may place business, including transactions relating to the Company, with those brokers.

Operational management arrangements

In addition to the appointment of external managers, Witan Pacific contracts with third parties for the supporting services it requires, including:

- WIS for Executive Management services; WIS has experience of the issues arising in operating a multi–manager structure, and manages and monitors the outsourced structure and relationships, provides commentary on investment issues and provides marketing services. The Executive Manager reports to the Board on key aspects at all Board meetings as well as drawing attention as required to matters requiring non–routine review by the Board;
- BNP Paribas Securities Services for investment accounting and administration;
- JP Morgan Chase Bank, N.A. for investment custody services;
- Link Market Services Limited for company secretarial services (through Link Company Matters Limited);
- the Company also takes specialist advice on regulatory and compliance issues and, as required, procures legal, investment consulting, financial and tax advice;
- as with investment management, the contracts governing the provision of these services are formulated with legal advice where necessary and stipulate clear objectives and guidelines for the level of service required; and
- Share Savings Plan. WIS has informed the Board that it will no longer be managing the Share Savings Plan, and that holders are being offered a number of alternatives, including a transfer to Hargreaves Lansdown. The Board encourages all shareholders to subscribe to the Company's newsletters and factsheets, which can be done on the Company's website.

Premises and staffing

Witan Pacific has no premises nor employees.

Environmental, human rights, employee, social and community issues

The Company's core investment activities are undertaken by Aberdeen, Dalton, Matthews and Robeco, which consider policies relating to environmental and social matters as part of their investment process. The Company has therefore not reported on these or community issues. The Company is not within the scope of the Modern Slavery Act 2015 as it has insufficient turnover and is therefore not obliged to make a human trafficking statement. The Board reviews its portfolio managers' reports on their policies relating to environmental, social and corporate governance issues and discusses the managers' approaches with them. The portfolio managers are also prepared to use their votes in these areas as part of the proper management of the investments made on the Company's behalf and the Board periodically reviews their approaches with them.

The Board of Directors consists of two female and three male non–executive Directors. It is the Directors' policy to appoint individuals on merit whilst taking into account the balance of skills and experience required by the Board. The Board's diversity policy is set out on page 36.

CORPORATE REVIEW continued

Key Information Document

The European Union's Packaged Retail Investment and Insurance based Products ("PRIIP"s) Regulations cover Investment Trusts and require boards to prepare a key information document ("KID") in respect of their companies. Witan Pacific's KID is available on the Company's website. Investors should note that the processes for calculating the risks, costs and potential returns in the KID are prescribed by EU law and the Company has no discretion over the format or content of the document.

The illustrated performance returns in the KID cannot be guaranteed and, together with the prescribed cost calculation and risk categorisation, may not reflect figures for the Company derived using other methods. Accordingly, the Board recommends that investors also take account of information from other sources, including the Annual Report.

COST ANALYSIS

The Company exercises strict scrutiny and control over costs. Any negotiated savings in investment management or other fees will directly reduce the costs for shareholders. The information on costs is collated in a single table below. This indicates the main cost headings in money terms and as a percentage of net assets.

	Year ended 31 January 2019		Year ended 31 January 2018	
Category of costs[1]	**£m**	**% of average net assets**	£m	% of average net assets
Management fees[2]	**1.61**	**0.69**	1.48	0.63
Other expenses	**0.80**	**0.34**	0.88	0.38
Non–recurring expenses	**(0.01)**	**0.00**	(0.05)	(0.02)
Ongoing charges[3]	**2.40**	**1.03**	2.31	0.99
Portfolio transaction costs	**0.27**	**0.11**	0.43	0.18

1 For a full breakdown of costs, see notes 3 and 4 on pages 61 and 62.

2 Figures inclusive of fees paid to WIS.

3 Ongoing charges exclude performance fees, if payable. No performance fees were payable in 2018/9 or 2017/8.

Principal risks and uncertainties

The Audit Committee regularly (at least annually) reviews the risks facing the Company by maintaining a detailed record of the identified risks in the form of a Risk Matrix which assesses the likelihood of such risks occurring and the severity of the potential impact of such risks. This enables the Board to take action and develop strategies in order to mitigate the effect of such risks to the extent possible. An analysis of financial risks can be found in note 16 to the financial statements on pages 67 to 73.

A robust assessment of the principal risks has been carried out, including a review of those risks which would threaten the Company's business model, future performance, solvency or liquidity.

Information about the Company's internal control and risk management procedures can be found in the Audit Committee Report on page 40.

The Board has identified the following as being the principal risks and uncertainties facing the Company:

RISK	MITIGATION
Inappropriate business strategy and/or changes in the financial services market leads to lack of demand for the Company's shares and to an increase in the discount of the share price to the NAV.	The Board reviews its strategy at an annual strategy meeting. It considers investor feedback, consults with its broker and reviews its marketing strategy. It regularly reviews its discount control policy. The strategy is considered in the context of developments in the wider financial services industry.
Adverse market conditions, particularly in equities and currencies, lead to a fall in NAV.	The Company's exposure to equity market risk and foreign currency risk is an integral part of its investment strategy. Adverse markets may be caused by a range of factors including economic conditions and political change. Volatility in markets from such factors can be higher in less developed markets. Market risk is mitigated to a degree by careful selection of portfolio managers and appropriate portfolio diversification.
Poor investment performance, including through inappropriate asset allocation, leads to value loss for shareholders in comparison to the benchmark or the peer group.	The performance of the portfolio managers is reviewed at each Board meeting, and compared against the benchmark and similar investment opportunities. Exposures against companies and countries are reviewed against benchmark exposure to identify the highest risk exposures. In a multi–manager structure, different portfolio construction styles can mitigate underperformance. The Board reviews the investment strategies of the managers at least annually.
A reduction in income received from the companies in which it invests, from adverse currency movements, or from portfolio re–allocation could lead either to lower dividends being paid by the Company or to dividends being paid out of reserves.	The Board reviews forecast income at each Board meeting, and also receives longer–term views on income from the portfolio managers. The Company has substantial revenue reserves which can be utilised without requiring the use of other reserves.
Operational failure leads to reputational damage and potential shareholder loss. Operational issues could include: errors, control failures, cyber attack or business discontinuity at service providers.	The Audit Committee reviews the controls at the service providers and requires appropriate reports. Separate records of investments are maintained by the portfolio managers, custodian and fund accountants, and are reconciled. The Executive Manager also monitors the performance and controls of third party providers.
Tax and regulatory change or breach leads to the loss of investment trust status and, as a consequence, the loss of the exemption from taxation of capital gains. Change in tax, regulation or laws could make the activities of the Company more complicated, more costly or even not possible. Other regulatory breaches (including breaching the listing rules, market abuse regulations and AIFMD) could result in reputational damage and costs. Regulatory change can also increase the costs of operating the Company.	Compliance with investment trust status regulations is reviewed at each Board meeting. The Board reviews compliance with other regulatory, tax and legal requirements and is kept informed of forthcoming regulatory changes.

CORPORATE REVIEW continued

Leaving the EU. The Board has also considered the potential implications for the Company (to the extent identifiable) of the UK no longer being a member of the EU. Given the Company is invested in the Asia Pacific region, the greatest impact has been, and may continue to be, the movement of sterling against international currencies. Because the value of the Company's investments, and income received, is denominated substantially in overseas currencies, any fall in sterling will increase the value of those investments, and income received, in sterling terms. Conversely, any rise in sterling will decrease the value of those investments, and income received, in sterling terms.

Viability

In accordance with the provisions of the UK Corporate Governance Code, the Board has assessed the viability of the Company, and selected a period of five years for the assessment.

The Board considers five years to be a reasonable period for its assessment. The Board views the Company as a long–term investment vehicle, with strong financials and good liquidity in its portfolio. In selecting a five year period, the Board has balanced that view against the inherent uncertainties in equity markets.

In conducting the assessment, the Board has taken account of the following:

- The Company is an investment trust founded in 1907, whose investment portfolio is invested in readily realisable listed securities. The portfolio is well diversified in terms of both sector and geography within its Asia Pacific remit.
- The Company currently has no borrowings.
- The expenses of the Company are reasonably predictable, modest in comparison to the assets and adequately covered by investment income.

The Board has also taken account of its strategy and investment policy set out on page 14, and the principal risks and uncertainties set out on pages 21 and 22. The Company operates a robust risk control framework to manage those risks and uncertainties.

The Board's assessment assumes that there is continuing demand amongst shareholders for the investment trust structure and the mandates which the Board gives its managers.

The Board has also assessed the viability of the Company in the light of the Board's statement in February 2019 that unless NAV outperformance is delivered from 1 February 2019 to 31 January 2021, the Board will put forward proposals which would include a full cash exit, as soon as reasonably practicable after 31 January 2021. That statement, and the Chair's Statement on page 4, also indicate that the Board remains confident that the Company's strategy can deliver long–term outperformance.

Based on the above, and in particular based on the assumption that the Company can deliver sufficient outperformance such that a full cash exit is not proposed after 31 January 2021, the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of this assessment.

Approval

This Strategic Report has been approved by the Board and signed on its behalf by

Susan Platts–Martin

Chair

25 April 2019

BOARD OF DIRECTORS

Susan Platts–Martin
Chair
Appointed: July 2014
Chair since June 2017

Susan Platts–Martin was appointed to the Board in July 2014 and brings to the Board considerable knowledge of investment companies and investment management generally, having spent 26 years in a range of senior roles at Fidelity International, including several years as the Head of Investment Trusts. She has experience of both open and closed end funds, having been director of product development and head of fund accounting at Fidelity and she is a qualified chartered accountant. Susan currently sits on the board of BlackRock Smaller Companies Trust plc and the board of the Targeted Return Fund.

Dermot McMeekin
Senior Independent Director, Nomination and Remuneration Committee Chairman
Appointed: May 2012

Dermot McMeekin is a former Solicitor and Management Consultant who brings over 20 years of on–the–ground country experience across Asia Pacific, and has a deep understanding of the strategic issues affecting corporate growth across the region. Dermot was a partner in what is now Towers & Hamlins and, having received an MBA from Harvard Business School, subsequently became Managing Partner of Accenture's Asian Strategy Practice. He has been a director and chairman of PMC Treasury Group Ltd, a financial advisory firm, and of the 2gether NHS Foundation Trust. Dermot is a non–executive director of European Leisure Estates, Greenway Limited and Sanater SpA. He is also chairman of Westonbirt Schools Limited.

Chris Ralph
Appointed: July 2017

Chris Ralph is Chief Investment Officer at St. James's Place, the UK's largest independent Wealth Management Company. He has worked in financial markets for over thirty–five years.

As well as sitting on the Investment Committee for St. James's Place and focusing on the monitoring and development of the company's Investment Management Approach, Chris also chairs the Investment Committee of The Big Exchange and is a member of the Investment Committee for the Rank Foundation.

BOARD OF DIRECTORS continued

Andrew Robson
Audit Committee Chairman
Appointed: July 2014

Diane Seymour–Williams
Appointed: June 2010

Andrew Robson is a qualified accountant with over 15 years of corporate finance experience, including with Asian companies, gained at Robert Fleming & Co Limited and SG Hambros. He has considerable experience as a finance director and as chairman of audit committees, including those of three other investment companies, and has a business advisory practice. Andrew took over the role of Chairman of the Audit Committee in June 2015. Andrew is currently non–executive director of Shires Income PLC, JP Morgan Smaller Companies Investment Trust plc and Mobeus Income & Growth 4 VCT PLC. He was also a non–executive director of British Empire Trust plc until 2017 and M&G Equity Investment Trust plc until April 2011.

Diane Seymour–Williams adds to the Board some 30 years of investment experience, including the management of Asian equity portfolios and Asian asset management businesses at Morgan Grenfell and Deutsche Asset Management. During this time, Diane also served on the boards of The China Fund (1993–2005), Pakistan Fund (1993–1996) and Batavia Fund (1993–1996) and as chairman of the Advisory Board of the Greater Korea Trust (1993–1997). More recently, she was Global Head of Relationship Management at LGM Investments, an Investment Manager specialising in Frontier, Asian and Global emerging markets equities. She was also chairman of the Neptune Calculus Growth and Income VCT plc (2017) and a director of the Calculus VCT plc (2017–2019). Diane is a non–executive director of Brooks Macdonald Group plc, where she chairs the Remuneration Committee and of Standard Life Private Equity Trust plc. She is also a member of the Investment Committee of Newnham College, Cambridge.

All of the Directors are members of the Audit Committee and of the Nomination and Remuneration Committee.

STATUTORY INFORMATION

at 31 January 2019

The Directors have pleasure in presenting their Annual Report and the audited Financial Statements of the Company for the year ended 31 January 2019.

Status of the Company

The Company is a public company limited by shares and incorporated in England. It is an investment company as defined by Section 833 of the Companies Act 2006. Its shares have a premium listing on the London Stock Exchange. The Company operates as an approved investment trust in accordance with Sections 1158–1159 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. This is subject to there being no subsequent enquiry under corporation tax self–assessment. In the opinion of the Directors, the Company has conducted its affairs so that it continues to qualify.

The Company's shares are eligible for inclusion in an Individual Savings Account ("ISA").

Future developments

See Chair's Statement on pages 4 and 5 for a review of the year and the outlook for the next year.

Directors

The Directors of the Company who were in office during the year and at the date of this Report, and their biographical details, are shown on pages 23 and 24.

Mrs Diane Seymour–Williams has been a Director of the Company for nine years. She will be retiring at the AGM and will not be seeking re–election.

Mr Dermot McMeekin will retire by rotation at the AGM and will be standing for re–election.

The Company maintained a directors' and officers' liability insurance policy throughout the financial year.

To the extent permitted by law and by the Company's Articles, the Company has entered into deeds of indemnity for the benefit of each Director of the Company in respect of liabilities which may attach to them in their capacity as Directors of the Company. These provisions, which are qualifying third party indemnity provisions as defined by section 234 of the Companies Act 2006, were in place throughout the year and as at the date of approval of the financial statements.

The Articles permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. There is in place a formal system for the Board to consider authorising such conflicts, whereby the Directors who have no interest in the matter decide whether to authorise the conflict and any conditions to be attached to such authorisations.

Share capital

At 31 January 2019, there were 65,944,000 Ordinary shares of 25p each in issue (2018: 65,944,000 Ordinary shares), of which 3,560,596 were held in treasury. At the 2018 AGM, the Directors were granted authority to buy back up to a maximum of 9,467,723 Ordinary shares. At 31 January 2019, the unused authority to buy back Ordinary shares was 8,690,865 Ordinary shares. This authority will expire at the conclusion of the 2019 AGM when the Directors will seek a renewal of the authority.

During the year to 31 January 2019, the Company repurchased a total of 852,346 Ordinary shares to hold in treasury representing 1.3% of the shares in issue (excluding shares held in treasury) as at the prior year end. The nominal value of Ordinary shares repurchased during the year was £213,086. The total consideration for these repurchases was £2,694,000.

Following the year end, the Company has repurchased a further 516,959 Ordinary shares to hold in treasury (as at 23 April 2019), with a nominal value of £129,240. The total consideration for these repurchases was £1,665,000.

At 23 April 2019, there were 65,944,000 Ordinary shares of 25p each in issue. 4,077,555 Ordinary shares were held in treasury, representing 6.2% of the issued Ordinary share capital as at 31 January 2019. Each Ordinary share carries one vote, therefore, the total votes in issue were 61,866,445.

The share purchases described above were performed in accordance with the Company's stated policy of buying back shares when the Company's shares are standing at a substantial and anomalous discount to their NAV.

The impact to the NAV as a result of the buy–back activity for the year ended 31 January 2019 was an enhancement of £0.5m or 0.8p per Ordinary share.

At the 2018 AGM, the Directors were also granted authority to allot ordinary shares up to an aggregate nominal amount of £1,580,130. No shares have been issued under this authority. This authority is due to expire at the conclusion of the next AGM, when proposals for its renewal will be sought.

STATUTORY INFORMATION continued

Results and dividend

Revenue return after taxation	£'000
Net revenue return after taxation	**4,954**
Dividends paid/payable: Interim dividend of 2.50p per share	**(1,563)**
Proposed final dividend of 4.50p per share	**(2,784)**
Residual revenue return after dividends	**607**
At 31 January 2019 Revenue reserve[1]	**13,132**

1 Revenue reserve excludes the proposed final dividend for the year ended 31 January 2019 of £2,784,000. Subject to approval by shareholders at the AGM, this dividend will be payable on 18 June 2019 to shareholders on the register on 17 May 2019 (see Chair's Statement on page 5).

Investment management services

The Company appointed Aberdeen Asset Managers Limited as portfolio managers on 31 May 2005. Matthews International Capital Management LLC was appointed on 30 April 2012 and Dalton Investments LLC and Robeco Institutional Asset Management BV were appointed as portfolio managers on 28 September 2017.

The Management Agreements with Aberdeen, Dalton, Matthews and Robeco can each be terminated at one month's notice in writing. Each portfolio manager is entitled to a base management fee, at rates between 0.20% and 0.85% per annum, calculated according to the value of the assets under their management.

Aberdeen is also entitled to a performance fee based on relative outperformance against the MSCI Index (sterling adjusted total return). The performance fee is calculated according to investment performance over a three-year rolling period and is payable at a rate of 15% of the calculated outperformance relative to the benchmark (subject to a cap such that the aggregate management fee and performance fee in any year shall not exceed 1% of the average portfolio assets in that year).

Continued appointment of portfolio managers

The Board, in conjunction with Witan Investment Services Limited ("WIS") and consultants, as appropriate, considers the performance of, the allocations to and the appointments of each of the portfolio managers on a regular basis and may alter either allocations or appointments if considered to be in the Company's interests. The Board made significant changes to its portfolio management appointments and allocation in September 2017, introducing two new portfolio managers (Robeco and Dalton). The Board recognises that investment performance in the year to 31 January 2019 has been disappointing, but also recognises that the new portfolio managers were appointed relatively recently, and believes that all its managers are well positioned to achieve long-term outperformance.

As at the date of this Report, the Directors are of the opinion that the continuing appointment of the four portfolio managers, on the terms agreed, is in the interests of shareholders as a whole.

Executive management services

On 27 May 2005, the Company appointed Witan Investment Services Limited as Executive Manager. Witan Investment Services is entitled to an annual Executive Management Fee of 0.125% of NAV (subject to a minimum of £125,000 per year), payable quarterly. With effect from 1 February 2019, the annual Executive Management Fee will be calculated at the rate of 0.12% of NAV up to £200m and 0.07% of NAV over £200m (subject to a minimum of £125,000 per annum). A Marketing Fee of £75,000 per annum is also payable. The Executive Management Agreement is terminable on six months' notice in writing by either party.

Administration and company secretarial services

Fund accounting administration services are provided to the Company by BNP Paribas Securities Services ("BPSS") pursuant to an agreement dated 22 March 2005 as amended between the Company and BNP Paribas Fund Services UK Limited and novated to BPSS on 1 December 2008. The fee for these services is £62,000 per annum plus an ad valorem charge of 0.02% per annum on the total assets of the Company up to £300m and 0.01% thereafter. The agreement with BPSS continues until terminated by either party on giving not less than six months' written notice.

Link Market Services Limited ("Link") (formerly known as Capita Registrars Limited) provides company secretarial services through Link Company Matters Limited (formerly known as Capita Company Secretarial Services Limited) pursuant to an agreement dated 1 January 2013. The fee for these services is of £56,293 per annum, and is subject to annual RPI increase. The agreement with Link continues until terminated by either party on giving not less than six months' written notice.

Substantial share interests

Significant direct or indirect interests	31 January 2019 Ordinary shares	31 January 2019 % of voting rights	23 April 2019 Ordinary shares	23 April 2019 % of voting rights
Wells Capital Management	8,871,875	14.22	9,307,992	15.04
Witan Wisdom Savings Scheme*	8,560,924	13.72	2,307,681†	3.73
1607 Capital Partners LLC	3,053,586	4.89	3,053,586	4.94

* See page 19 for an update on the Share Savings Plan.

† As at 31 March 2019.

Internal controls and risk management systems
The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This is described in more detail on page 40.

Going concern
The activities of the Company, together with the factors likely to affect its future development, performance, financial position, its cash flows and liquidity position are described in the Strategic Report.

In addition, the Company's policies and processes for managing its key financial risks are described in note 16 on pages 67 to 73.

The assets of the Company consist mainly of securities which are readily realisable, and, as at 31 January 2019, the Company's total assets less current liabilities were £220 million. As a consequence, the Directors believe that the Company continues to be well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next year. Accordingly, they continue to adopt the going concern basis in preparing this Annual Report and Accounts.

Information about securities carrying voting rights
The following information is disclosed in accordance with the Large and Medium–sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6 of the FCA Disclosure Guidance and Transparency Rules.

- In respect of the Company's shares, there are no:
  - (i) restrictions on the transfer of or in respect of the voting rights of the Company's shares;
  - (ii) agreements, known to the Company, between holders of securities regarding the transfer of such shares;
  - (iii) special rights with regard to control of the Company attaching to any such shares; and
  - (iv) restrictions on voting rights and agreements which may result in such restrictions.
- Details of the significant direct or indirect holdings of the Company's shares are shown in the table above.
- The rules on the appointment and replacement of the Directors are set out in the Company's Articles.
- The Company may by ordinary resolution suspend or relax to any extent, in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of the Directors or of a Committee of the Directors.
- Subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. The powers shall not be limited by any special power given to the Directors by the Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- There are no agreements:
  - (i) to which the Company is a party that might affect its control following a takeover bid; and
  - (ii) between the Company and its Directors concerning compensation for loss of office.

Listing Rule 9.8.4
Listing rule 9.8.4 requires the Company to disclose specific information in a single identifiable section of the Annual Report. The Directors confirm that there are no disclosures required to be made under Listing Rule 9.8.4.

Greenhouse gas emissions
The Company has no employees nor property, and it does not combust any fuel or operate any facility. The Company does not purchase electricity, heat, steam or cooling for its own use. The Company outsources all services on a fee basis and, as such, it is not practical to attempt to measure or quantify emissions in respect of any outsourced energy use. The Directors consider that the activities of the Company generate a small amount of greenhouse gases in the form of incidental

STATUTORY INFORMATION continued

transport, use of personal computers and other activities on which it is not required to report. Accordingly, the measurable amount of carbon dioxide equivalent ("CO_2e") produced by the Company during the year was zero tonnes. This compares to total emissions of 70.78 tonnes, being 14.16 tonnes per person, from air transport in the previous year as a result of the trip to Asia and America by the Board in February 2017.

Since the year end, the Board has travelled to Asia and the United States to meet with the portfolio managers and the Company will report on the impact of that travel in the annual report for the year ending 31 January 2020.

Annual General Meeting

The AGM of the Company will be held on 12 June 2019 at 2.30pm at Chandos House, 2 Queen Anne Street, London W1G 9LQ.

Resolutions of the Annual General Meeting

A full explanation of the resolutions being proposed at the AGM may be found on pages 83 and 84.

The Board considers that all of the resolutions are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings.

Independent Auditors

PricewaterhouseCoopers LLP ("PwC") have been Independent Auditors of the Company since 1986. As reported in last year's Annual Report, an audit tender was carried out in 2018. The Board, on the recommendation of the Audit Committee, is recommending that Ernst & Young LLP be appointed as Independent Auditors. Information about the tender and the proposed appointment of Ernst & Young LLP can be found in the Audit Committee Report on page 39. As a result, PwC will not be seeking re–appointment at the Annual General Meeting. A copy of their statement of the circumstances of their ceasing to hold office is enclosed with this Annual Report.

Resolutions to appoint Ernst & Young LLP as Independent Auditors and to authorise the Audit Committee to agree their remuneration will be proposed at the forthcoming AGM.

Disclosure of Information to Auditors

The Directors who held office at the date of the approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Independent Auditors are unaware. Each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Independent Auditors are aware of this information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approval

The Directors' Report has been approved by the Board.

By order of the Board

Link Company Matters Limited
Company Secretary
25 April 2019

CORPORATE GOVERNANCE STATEMENT

Background

The UK Listing Authority Listing Rules and Disclosure Guidance and Transparency Rules ("UKLA Rules") require listed companies to disclose how they have applied the principles and complied with the provisions of the corporate governance code to which the issuer is subject. The provisions of the UK Corporate Governance Code ("UK Code"), as issued by the Financial Reporting Council ("FRC") in April 2016, are applicable to the year under review and can be viewed at www.frc.org.uk.

The related Code of Corporate Governance (the "AIC Code") issued by the Association of the Investment Companies ("AIC") in July 2016 addresses all the principles set out in the UK Code as well as providing specific corporate governance guidelines to investment companies. The FRC has confirmed that AIC member companies who report against the AIC Code and who follow the AIC's Corporate Governance Guide for Investment Companies ("AIC Guide") will be meeting their obligations in relation to the UK Code and the associated disclosure requirements of the UKLA. The AIC Code can be viewed at www.theaic.co.uk.

During February 2019, the AIC issued a revised Code of Corporate Governance ("Revised AIC Code"). The Company will be required to report against the Revised AIC Code in next year's Annual Report and Accounts.

Compliance

Except as specified below and on the following pages, throughout the year ended 31 January 2019 the Company complied with the principles and recommendations of the AIC Code and the related AIC Guide, which incorporates the UK Code. The Board attaches great importance to the matters set out in the Code and strives to observe its principles. Accordingly, the table on the following pages reports on compliance with the recommendations of the AIC Code and the related AIC Guide.

It should be noted that, as an investment trust, all of the Directors are non–executive and most of the Company's day–to–day responsibilities are delegated to third parties. Consequently, the Company has not reported on those provisions of the UK Corporate Governance Code relating to the role of the Chief Executive or executive remuneration.

The Principles of the AIC Code

The AIC Code is made up of twenty–one principles over three sections covering:

- the Board;
- Board meetings with the Executive Manager and with the portfolio managers; and
- shareholder communications.

CORPORATE GOVERNANCE STATEMENT continued

BOARD		
AIC Code Principle		**Implementation**
1	**The Chairman should be independent.**	On her appointment as Chair in June 2017, Ms Platts-Martin was considered to be, and remains, independent. There is a clear division of responsibility between the Chair, the Directors, the Executive Manager, the portfolio managers and the Company's other third party service providers. No one individual has unfettered powers of decision. The Chair is responsible for leading the Board, ensuring its effectiveness on all aspects of its role and for ensuring that all Directors receive accurate, timely and clear information.
2	**A majority of the Board should be independent of the Manager.**	At 31 January 2019, the Board comprised five independent non-executive Directors, none of whom sits on the board of another investment company managed by the Executive Manager, Witan Investment Services. The independence of the Directors is reviewed annually. The Board considers that there was an independent majority, during the year under review and up to the date of this report, which will continue to be able to act independently of the Executive Manager, and of the portfolio managers. The Board reviews the Register of Directors' Interests at every Board meeting. All of the Directors are independent of the Company itself as, in the opinion of the Board, each Director is independent in character and judgement and there are no relationships or circumstances relating to the Company that are likely to affect their judgement. Mr Robson has been a director of Shires Income plc ("Shires Income") since May 2008. Shires Income is managed on an arms-length basis by Aberdeen Fund Managers Limited, which is part of the same group as Aberdeen Asset Management Asia Limited, one of the Company's four current portfolio managers. At the year end, Aberdeen managed 25.3% of the Company's assets. The Board considers that the Company's arrangements differ from those traditionally found elsewhere. Witan Pacific is itself the AIFM (in accordance with the AIFMD) and has unbundled the various services it requires into different contractual arrangements. Witan Investment Services has responsibility for executive management and coordination of the other providers, including day-to-day oversight of the portfolio managers. There is a separate accounting and also a separate Company Secretarial provider. The Company's portfolio managers provide solely stock selection and asset allocation management. The Board believes the above-mentioned circumstances underpin Mr Robson's independence. Whilst the Board currently comprises only Directors who are considered to be independent, it is nevertheless prepared to have a minority of non-independent Directors should this be considered appropriate at any stage. There is no Chief Executive position within the Company, and the day-to-day management of the Company's affairs has been delegated to third party providers.
3	**Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.**	New Directors stand for election at the first AGM following their appointment and thereafter all Directors submit themselves for re-election at least every three years in accordance with the Company's Articles and the AIC Code. The Board, through the Nomination and Remuneration Committee, considers the structure of the Board annually and recognises that any term beyond six years should be subject to particularly rigorous review and should take into account the need for progressive refreshing of the Board. Recommendation for re-election is based on the continuing effectiveness of the Director established through a rigorous annual evaluation of the Board and individual Directors, which is described more fully on page 31.

AIC Code Principle		Implementation
4	**The Board should have a policy on tenure, which is disclosed in the annual report.**	The Board acknowledges the AIC Code provisions relating to tenure. Directors serving longer than nine years are subject to annual re–election. The Board does not, however, have a pre–set criterion for retirement based on length of service believing that recommendation for re–election should be on an individual basis following rigorous review. The Board considers the refreshment of the Board an important part of its function and has consistently done so. The terms and conditions for the appointment of non–executive Directors are available for inspection at the registered office of the Company and at the AGM.
5	**There should be full disclosure of information about the Board.**	All the Directors are resident in the UK and their biographical details, which are set out on pages 23 and 24, demonstrate the wide range of skills and experience that they bring to the Board. In view of the Company's size and as the Board is comprised of only five Directors, all of whom are independent, the Board considers it sensible for all the Directors to be members of the Audit Committee and of the Nomination and Remuneration Committee. Ms Platts–Martin is a member of these Committees but does not chair either of them. Information about the Committees and their constitution is set out on page 36. Terms of reference for all Committees are available on the Company's website or upon request from the Company Secretary.
6	**The Board should aim to have a balance of skills, experience, length of service and knowledge of the Company.**	The Nomination and Remuneration Committee regularly conducts a skills audit to enable the Board to identify any skill shortages.
7	**The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors.**	The Board has formalised a process to evaluate its own performance and that of its Chair and of its Committees on an annual basis. This process is led by the Chair and is based on open discussion and assessment of the strengths and weaknesses of the Board and its Committees, with the Directors making recommendations to improve performance where necessary. Each Director is required to complete a questionnaire and the assessment covers the functioning of the Board as a whole and a similar review of the effectiveness of the Board Committees is also carried out. The Chair also reviews with each of the Directors their individual performance, contribution and commitment to the Company and any further development of skills. Following discussions with the other Directors, the Senior Independent Director similarly reviews with the Chair, her performance. The Nomination and Remuneration Committee receives relevant points arising from the performance evaluation process and then considers the information when making a recommendation to the Board regarding the election and re–election of Directors. The independence of all Directors is also assessed as part of the process. Although the Board does not consider it necessary at present to employ the services or to incur the additional expense of an external third party to conduct the evaluation process, it continues to review each year whether an external evaluation should be undertaken.

CORPORATE GOVERNANCE STATEMENT continued

AIC Code Principle		Implementation
8	**Director remuneration should reflect their duties, responsibilities and the value of their time spent.**	The Nomination and Remuneration Committee each year reviews the fees paid to the non–executive Directors and compares these with the fees paid by the Company's peer group and the investment trust industry generally, taking into account the level of commitment and responsibility of each Board member. When assessing the appropriate level of remuneration of the Directors, the Nomination and Remuneration Committee considers the relative complexity of the Company's multi–manager structure as well as the increasingly regulated environment in which investment trusts operate. Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 44 to 47.
9	**The independent Directors should take the lead in the appointment of new Directors and the process should be disclosed in the annual report.**	The Nomination and Remuneration Committee considers the criteria for future Board appointments and the methods of recruitment, selection and appointment. All members of the Committee are independent. As part of its annual review of the composition of the Board, the Nomination Committee noted that Mrs Seymour–Williams had been a Director for almost nine years and would be standing down immediately following the Annual General Meeting on 12 June 2019. Having reviewed the skills and experience of the ongoing Board members, the Nomination and Remuneration Committee has recommended, and the Board has agreed, that no replacement Director will be appointed at this time.
10	**Directors should be offered relevant training and induction.**	On appointment, new Directors will be provided with an induction pack containing key information about the Company, its processes and procedures. All new Directors will be offered a structured induction programme including a meeting with the Chair, the Executive Manager and other relevant persons. In addition, on an ongoing basis, Directors are given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board Committees, the Company's corporate governance practices and procedures and the latest financial information. It is the Chair's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to participate in training courses and to access relevant information where appropriate. The Directors have direct access to the advice and services of a Company Secretary through its appointed representative, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties and that the statutory obligations of the Company are met.
11	**The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage.**	Principle 11 applies to the launch of new investment companies and is therefore not applicable to the Company.

BOARD MEETINGS AND RELATIONS WITH THE MANAGERS

AIC Code Principle	Implementation
12 **Boards and Managers should operate in a supportive, co-operative and open environment.**	The Board meets formally at least five times each year and representatives of the portfolio managers formally report to the Board, at Board meetings, on a regular basis. Representatives of the Executive Manager attend each Board meeting and certain committee meetings. The Chair encourages open and constructive debate to foster a supportive and co-operative approach in Board meetings and for those meetings with the Company's portfolio managers.
13 **The primary focus at regular Board meetings should be a review of investment performance and associated matters, such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.**	The Board sets the investment parameters within which the portfolio managers operate. The portfolio managers decide on the purchase and sale of individual investments and also ensure that the Board receives all relevant management and financial information in a timely manner. Representatives of each of the portfolio managers attend at least one Board meeting a year (by video conference and/or in person), enabling the Board to review the portfolio managers' performance against the Company's investment objectives, the portfolio risk and attribution analysis and to seek clarification on specific investment issues. The Board has agreed a schedule of matters specifically reserved for decision by the Board. This is reviewed on an annual basis and includes: ■ corporate strategy; ■ appointing the portfolio managers and other service providers; ■ setting the overall objectives and investment restrictions within which the portfolio managers are free to operate; ■ setting gearing and asset allocation limits and imposing limits on investment powers/changes, within which the portfolio managers have discretion to act; ■ approving unquoted investments; and ■ risk management. The Board has established a marketing and shareholder communication strategy which is implemented by the Executive Manager. Prior to each Board and Committee meeting, Directors are provided with a comprehensive set of papers giving detailed information on the Company's transactions and financial position and all Directors have timely access to all relevant management, financial and regulatory information. Considerable work has been done to develop a Risk Matrix which is reviewed at least six monthly by the Audit Committee and by the Board as a whole. The Board reviews the Company's discount and has delegated limited authority to the Executive Manager to purchase the Company's shares where the share price is at a substantial and anomalous discount to NAV. A procedure is in place for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. There has been no professional advice taken individually by the Directors during the year which has incurred expense to the Company.
14 **Boards should give sufficient attention to overall strategy.**	The Board is responsible for determining the strategic direction of the Company. It has established a predetermined annual programme of agenda items under which it reviews the objectives and strategy for the Company, management, investment and marketing performance as well as other high-level management information including financial reports. The Board also meets on one additional day each year when it focuses on strategy and any specific issues that require greater attention.

CORPORATE GOVERNANCE STATEMENT continued

AIC Code Principle	Implementation
15 **The Board should regularly review both the performance of, and contractual arrangements with, the Manager (or executives of a self-managed Company).**	The Board meets with the portfolio managers periodically to review their performance. The Board also considers the portfolio managers' performance at each Board meeting and receives appraisal of the portfolio managers' services from the Executive Manager. From time to time, the Board visits the portfolio managers' offices so as to meet the portfolio managers and other supporting members of their teams. Most recently, the Directors travelled to Singapore, Hong Kong, San Francisco and Los Angeles to meet with the portfolio managers in February 2019. The Investment Management Agreements ("IMAs") were entered into after full and proper consideration by the Board of the quality and cost of services offered including the financial control systems in operation in so far as they relate to the affairs of the Company, and each contract is monitored on an annual basis by the Audit Committee. The performance of the Executive Manager and the portfolio managers is monitored and reviewed by the Board as a whole. Given the multi–manager structure, it is felt more appropriate for the review of the performance of the managers to be carried out by the Board rather than delegated to a separate Management Engagement Committee. The Board assesses the continuing appointment of each of the portfolio managers on an ongoing basis, and more formally once a year, taking into account advice received from the Audit Committee and the Executive Manager. In accordance with the requirements of the IMAs, the portfolio managers confirm to the Board on a monthly basis that an independent check has been carried out on compliance with the investment guidelines set by the Board.
16 **The Board should agree policies with the Manager covering key operational issues.**	The Board has agreed detailed operational and investment guidelines with the Executive Manager and the portfolio managers and takes the opportunity to review them regularly at Board meetings. The Board has delegated discretion to the portfolio managers to exercise voting powers on its behalf, but reviews the portfolio managers' policies in this respect.
17 **Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.**	The Board considers the discount to NAV of the Company's share price at every Board meeting. The Board uses share repurchases to help address imbalances in the demand for the Company's shares. Limited authority has been delegated to the Executive Manager to make purchases of shares, which it does when necessary. Details of repurchases are set out on page 25. The Board, with the assistance of the Executive Manager, considers: ■ the investment mandate and objective; ■ the effectiveness of marketing and shareholder communication strategies; ■ measures of investor sentiment; ■ the impact of share buy–backs; and ■ the number and performance of comparable trusts.

AIC Code Principle		Implementation
18	**The Board should monitor and evaluate other service providers.**	The Audit Committee reviews annually the performance of all the Company's third–party providers including the level and structure of fees payable and the length of the notice period, to ensure that the providers remain competitive and the arrangements are in the best interests of shareholders. The Committee also reviews the internal controls, anti–bribery and corruption policies and policies on whistleblowing and cyber security of each service provider.
SHAREHOLDER COMMUNICATIONS		
19	**The Board should regularly monitor the shareholder profile of the Company and put in place a system for canvassing shareholder views and for communicating the Board's view to shareholders.**	Regular reports are submitted to the Board by the Executive Manager, the Company's broker and qualified independent industry consultants concerning the Company's shareholder make up and industry trends. A dialogue is maintained with the Company's institutional shareholders and private client asset managers and the Board is pleased to hear from shareholders. Representatives of the Board and the Executive Manager meet with institutional shareholders and private client asset managers during the course of the year to understand their issues and concerns, which are then discussed at Board meetings and feedback is presented by the Company's brokers and marketing advisors. Shareholders wishing to communicate with the Chair, the Senior Independent Director or any other member of the Board may do so by writing to the Company, for the attention of the Company Secretary, at the registered office. All shareholders are encouraged to attend the AGM, where they are given the opportunity to question the Chair and the Board.
20	**The Board should normally take responsibility for, and have direct involvement in, the content of communications regarding major corporate issues even if the Manager is asked to act as spokesman.**	The Executive Manager discusses with the Board all substantive communications regarding corporate issues and may be authorised to act as spokesman for the Company. The Executive Manager also discusses with the Board relevant promotional material that it is proposing to issue.
21	**The Board should ensure that shareholders are provided with sufficient information for them to understand the risk/ reward balance to which they are exposed by holding the shares.**	The Chair is responsible for ensuring that there is effective communication with shareholders. The Company places great importance on communication with shareholders and aims to provide shareholders with a full understanding of its activities and performance by means of informative Annual and Half Year reports. This is supplemented by the daily publication, through the London Stock Exchange, of the NAV of the Company's shares. The Witan Pacific website, www.witanpacific.com, offers easy access to up–to–date information on the Company. It is regularly updated with monthly factsheets and enables investors to view the Company's Financial Reports and announcements and useful information on portfolio assets and performance. The fifty largest holdings in the portfolio are listed on pages 12 and 13 and the full portfolio listing is published monthly (with a three–month lag) on the Company's website.

CORPORATE GOVERNANCE STATEMENT continued

Board and Committee Meetings

Attendance

The following table details the number of Board and Committee meetings attended by the Directors, against the number of meetings they were eligible to attend during the year under review.

	Board	Audit Committee	Nomination and Remuneration Committee	Strategy[3]
S Platts–Martin	6/6	5/5	2/2	1/1
D McMeekin	6/6	5/5	2/2	1/1
C Ralph[1]	5/6	4/5	2/2	1/1
A Robson	6/6	5/5	2/2	1/1
D Seymour–Williams[2]	6/6	4/5	2/2	1/1

1 Unable to attend an additional Audit Committee and Board meetings that were called on short notice.

2 Unable to attend an additional Audit Committee due to a change of meeting time.

3 Held post year end.

No individuals other than the Committee Chairman and its members are entitled to be present at Committee meetings unless invited to attend by its members. Copies of the terms of reference for the Board Committees are available on the Company's website or from the Company Secretary. During the year, the Board also held a private session without the Executive Manager or any portfolio managers present.

Board members are encouraged to indicate if further sessions are thought to be appropriate.

Board Committees

The Board has agreed a schedule of matters specifically reserved for decision by the full Board subject to which the Board has delegated specific duties to an Audit Committee, a Nomination and Remuneration Committee and a Disclosure Committee, each of which operate within written terms of reference. All Directors are members of each standing Committee of the Board. Link Company Matters Limited acts as Secretary to the Board and its Committees.

Nomination and Remuneration Committee

The primary role of the Nomination and Remuneration Committee (the "Nomination Committee") is to review and make recommendations with regard to the Board structure, size and composition, balance of knowledge, experience and skills of the Board members and consider succession planning and tenure policy as well as reviewing the Directors' level of remuneration. It also agrees the criteria for future Board appointments and the methods of recruitment, selection and appointment.

The Board has adopted a diversity policy, which acknowledges the benefits of greater diversity and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the Board. Whilst the Board does not feel that it would be appropriate to set targets as all appointments are made on merit, the following objectives for the appointment of Directors have been established:

- all Board appointments will be made on merit, in the context of the skills, knowledge and experience required for the Board to be effective; and
- long lists of potential non–executive Directors should include diverse candidates of appropriate merit.

The Nomination Committee considers and makes recommendations with regard to Committee membership, the re–appointment of those Directors standing for re–election at AGMs, variations in terms of appointment and the question of each Director's independence prior to publication of the Annual Report and Accounts. The Nomination Committee is chaired by Mr McMeekin. The Nomination Committee's terms of reference provide that the Chairman of the Committee also acts as the Senior Independent Director.

The Nomination Committee meets at least twice each year, receives feedback from the Chair on the Directors' performance through the evaluation process and considers those Directors who are to retire by rotation at the AGM, making recommendations to the Board on their re–election. Following consideration of the performance evaluation, the Committee has recommended the re–election of Dermot McMeekin as a Director of the Company. Diane Seymour–Williams will be retiring from the Board at the AGM.

Information about the work of the Committee during the year can be found on page 32. Details of the Committee's activities in relation to Directors' remuneration are set out in the Directors' Remuneration Report on pages 44 to 47, together with information on the fees paid to Directors during the year under review.

Disclosure Committee

A Disclosure Committee, comprising all Directors, is in place to ensure inside information is identified and disclosed, if necessary. No meetings of the Disclosure Committee were held during the year.

AUDIT COMMITTEE REPORT

Audit Committee

The Audit Committee of the Company meets at least three times a year. During the year ended 31 January 2019, the Audit Committee met five times.

Responsibilities of the Audit Committee

The Audit Committee's principal functions are to:

- monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- review the Company's internal financial controls and risk management systems;
- approve the appointment, re–appointment or removal of the Independent Auditors, and make recommendations to the Board following an audit tender process;
- manage the relationship between the Company and the Independent Auditors, including reviewing the Independent Auditors' independence and objectivity as well as the effectiveness of the external audit process;
- approve the remuneration of the Independent Auditors;
- develop and implement policy on the engagement of the Independent Auditors to supply non–audit services;
- review the contractual arrangements with the portfolio managers and other third party service providers; and
- review the performance of, and make recommendations to the Board as to the continuing appointment of, third party service providers, other than the Executive Manager and the portfolio managers, where responsibility rests with the Board.

Composition of the Audit Committee and resources

All of the Directors of the Company are members of the Audit Committee. Each Director is considered to be independent and will count towards the independent majority. Mr Robson, the Chairman of the Audit Committee, is an experienced chartered accountant and is considered to have recent and relevant financial and investment experience as a result of his previous employment in accountancy and financial services sectors, and the Audit Committee as a whole has competence relevant to the investment trust sector. Details of their experience are given on pages 23 and 24.

As the Company has no employees, there is no dedicated resource available to the Audit Committee. However, representatives from BPSS, which produces the financial information for the Company, are invited to attend and present on issues as required. In addition, representatives of the Executive Manager, WIS, are invited to attend the Audit Committee meetings and are asked to present on specific issues.

The Audit Committee also has direct access to PricewaterhouseCoopers LLP ("PwC"), who act as Independent Auditors to the Company. The Independent Auditors attend an Audit Committee meeting at least once a year, and other meetings are arranged as necessary. The Audit Committee reviews, with the Independent Auditors, the plan and scope of the audit prior to the audit, and the results of the audit after it is concluded. At least annually, the Audit Committee discusses any relevant matters with the Independent Auditors privately without the presence of third party suppliers.

The Audit Committee is authorised to use whatever resources are required to fulfil its duties including seeking independent legal or other professional advice.

AUDIT COMMITTEE REPORT continued

Significant issues

In relation to the Annual Report and Accounts for the year ended 31 January 2019, the following significant issues have been considered:

SIGNIFICANT ISSUE	HOW THE ISSUE WAS ADDRESSED
Valuation and existence of investments	Listed investments are valued using stock exchange prices provided by third party pricing vendors. Investments in UCITS funds are priced using their published NAV. There were no unlisted investments held during the year. The Directors consider and review detailed portfolio valuations on a quarterly basis including a geographical and sector breakdown, most significant trades and largest active positions. Ownership of assets is verified by reconciliation with the Custodian's records. There were no significant matters during the year to report.
Recognition of income	Income received is accounted for in line with the Company's accounting policy. There were no significant matters during the year to report.
Performance fee	The calculation of the performance fee payable to Aberdeen Asset Managers Limited is reviewed by the Directors regularly at each Board meeting. No performance fee was payable in respect of the year and there were no significant matters during the year to report.
Compliance with Section 1158 of the Corporation Tax Act 2010	The Directors regularly receive updates from BPSS on the Company's compliance with the requirements of investment trust status. There were no significant matters during the year to report.
Maintaining internal controls	WIS reports to the Audit Committee on compliance and internal controls issues relating to the third party service providers. WIS's own internal controls procedures are evaluated by an external consultancy and the results of the review are reported to the Audit Committee. Additionally, the Audit Committee receives regular reports on internal controls from the portfolio managers, WIS and the Company's other third party service providers. The Audit Committee makes recommendations to the Board in respect of all third party service providers. There were no significant matters during the year to report.
Risk review	The Committee regularly reviews the Company's Risk Matrix and keeps the key strategic risks facing the Company under particular scrutiny. There were no significant matters during the year to report.

Other matters arising during the year

During the year, the Audit Committee also considered the following:

- **Independent Auditor.** PwC were re–appointed as Independent Auditors for the year ended 31 January 2019. This followed notification from Ernst & Young that, following their successful tender for the audit, they were unable to act as Auditors for the year ended 31 January 2019. Details are provided below in the section "Independent Auditors".
- **Recovery of withholding tax.** Many dividends received by the Company are subject to withholding tax, some of which may be recoverable. The Audit Committee reviews withholding taxes to ensure recovery is made wherever practical.
- **Cyber security.** The threat of cyber attack is a concern for all organisations. The Audit Committee considered the principal risks, and reviewed information from service providers on their cyber security arrangements.
- **Service providers.** The Audit Committee reviewed the performance and internal controls of its major operational service providers.
- **Allocation of costs.** The Audit Committee reviewed the Company's policy on the allocation of certain costs (principally management fees) between capital and revenue and recommended to the Board that there should be no charge in the following proportion: capital 75%: revenue 25%. This split reflected the Board's view of the expected long–term split of returns, in compliance with the SORP. The recommendation was accepted by the Board.

- **Dividend.** The Audit Committee reviews the revenue account, forecasts prepared by BPSS, and analyses prepared by WIS, in order to make recommendations on dividends to the Board.
- **Half Year Report.** The Audit Committee reviewed the integrity of the Half Year Report, which is not audited. There were no significant issues.
- **Tax services.** Due to the proposed appointment of Ernst & Young LLP as Auditors, they are no longer able to provide certain tax services from 1 February 2019. Proposals were requested, and Deloitte LLP have been appointed to provide those services.

Financial statements issued by the Company need to be fair, balanced and understandable. The Audit Committee has reviewed the Annual Report as a whole and reported to the Board that, in its opinion, the Financial Statements are fair, balanced and understandable. The Committee is aware that several sections of the Annual Report and Accounts are not subject to formal statutory audit, including the Strategic Report. The checking process for the financial information in these sections is reviewed by the Audit Committee.

The Audit Committee assesses annually whether it is appropriate to prepare the Company's financial statements on a going concern basis, and makes its recommendation to the Board. The Board's conclusions are set out in the Directors' Report.

The Audit Committee's remit includes consideration of a statement by the Directors on the long–term viability of the Company. The Audit Committee reviewed this statement in the light of the Board's statement that, unless NAV outperformance is delivered from 1 February 2019 to 31 January 2021, the Board will put forward proposals which would include a full cash exit. That viability statement can be found on page 22.

Independent Auditors

The Audit Committee Chairman leads the relationship with the Independent Auditors. The Audit Partner attends the Audit Committee meetings as appropriate during the year. The Audit Committee reviews the performance of the Independent Auditors at least annually and is assisted by WIS in its review. The Audit Committee takes into account the standing, experience and tenure of the Audit Partner and her team, the nature and level of services provided, and confirmation that they have complied with the relevant UK independence standards.

The Audit Committee also assesses the fee of the Independent Auditors and approves their remuneration. PwC have been the Independent Auditors since 1986. The appointment was put out to tender in 2004, following which PwC were re–appointed. Independent Auditors are required to rotate the Audit Partner every five years and in 2014, Sally Cosgrove was rotated on to the Company's account as the Audit Partner with PwC in relation to the year ended 31 January 2015.

In view of PwC's length of tenure as Independent Auditors, in March 2018, the Audit Committee conducted a tender for audit services with a view to appointing new Independent Auditors. As detailed in last year's report, three firms were invited to tender. The Audit Committee considered their written submissions in detail, and also received presentations from each firm. As a result of the process, the Audit Committee decided to recommend the appointment of Ernst & Young LLP ("EY"). The Board accepted that recommendation, and a resolution to appoint EY was included in last year's Annual Report.

However, EY subsequently informed the Board that a small amount of tax work carried out by its Indian network firm for the Company technically precluded EY from accepting the proposed appointment for the year to 31 January 2019, under the Financial Reporting Council's revised Ethical Standards. The resolution to appoint EY was not therefore proposed at last year's Annual General Meeting, and, at a subsequent General Meeting, PwC were re–appointed for the year to 31 January 2019. It was acknowledged that the re–appointment would be for one year only, due to PwC's length of tenure.

The Audit Committee thereafter reviewed its decision to appoint EY for subsequent years. It was acknowledged that the issue relating to their inability to audit the year to 31 January 2019 was technical in nature, and did not sufficiently impinge on the quality of their audit team and process to alter the Audit Committee's view of the results of the tender process conducted in 2018. It therefore decided to recommend the appointment of EY as Auditors for the year to 31 January 2020, and a resolution to appoint Ernst & Young LLP is included in the Notice of AGM.

The Audit Committee thanks PwC for their audit work, and assistance to the Audit Committee, over many years.

Audit fees in the year ended 31 January 2019 amounted to £33,000 (2018: £32,000).

AUDIT COMMITTEE REPORT continued

Non–audit fees

In view of recent regulations introduced on the supply of non–audit services by the Independent Auditors, the Audit Committee has implemented a policy whereby no services, other than audit services, will be supplied by the Independent Auditors, effective from 1 February 2017. No non–audit services were provided in the year by the Independent Auditor.

Internal audit

The Company does not have an internal audit function as it delegates most of its operations to third parties and does not employ any staff. The Administrator (BPSS) has established an internal controls framework to provide reasonable assurance on the effectiveness of the internal controls operated on behalf of its clients. The portfolio managers, the Administrator and the Company Secretary report on any breaches of law or regulation if and when they arise and periodically in scheduled Board reports. The Audit Committee considers annually whether there is any need for an internal audit function. It has agreed that it is appropriate for the Company to rely on the controls which exist within its third party providers and that it is not necessary to have an internal audit function.

The Company does not have a whistleblowing policy and procedure in place. It delegates its main functions to third party providers who have such policies in place and the Audit Committee understands that these policies meet the industry standards and reviews these arrangements periodically.

The Board has reviewed the implications of the Bribery Act of 2010 and confirmed its zero tolerance to bribery and corruption in its business activities. The Audit Committee has received assurances from the Company's principal third party service providers that they will maintain adequate safeguards to protect against any potentially illegal behaviour by their employees and agents. It also maintains and reviews the Company's own anti–bribery policy.

Internal controls and management of risk

The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness, ensuring that the risk management and control processes are embedded in day–to–day operations. The Board, through the Audit Committee, has established an ongoing process for identifying, evaluating and managing principal risks faced by the Company, which are set out on pages 20 to 22. These controls, which are regularly reviewed, aim to ensure that assets of the Company are safeguarded, proper accounting records maintained and the financial information used within the business and for publication is reliable. The Board has exercised its management of financial, operational and compliance risks and of overall risk management by relying on regular reports on performance attribution and other management information provided by the Executive Manager, the portfolio managers and other third party suppliers. The systems of internal controls are designed to manage rather than eliminate risk of failure to achieve the investment objective and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The key procedures which have been established to provide effective internal controls are as follows:

- The Board, through the Audit Committee, has carried out and documented a risk and control assessment, which was reviewed during the year, is monitored regularly and is subject to detailed annual review.
- The responsibilities for the investment management accounting and custody of assets are segregated. The procedures of the individual parties are designed to complement each other to safeguard the Company's assets.
- The Board is responsible for setting the overall investment policy and monitoring the actions of the portfolio managers at regular Board Meetings. The Board reviews information produced by the portfolio managers in detail on a monthly basis and is assisted by the Executive Manager, which oversees and monitors the portfolio managers.
- Administration and Company Secretarial services are provided by BPSS and Link respectively. BPSS and Link report to the Board at least on a quarterly basis as well as on an ad hoc basis, as necessary. In addition, the Audit Committee reviews independent reports on the testing of the internal controls of BPSS.
- Safekeeping of the Company's assets is undertaken by an independent custodian, JP Morgan Chase Bank N.A. The custodian is responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings are transacted in an accurate and timely manner.

- The duties and responsibilities of the Company's agents and advisers are clearly defined in the terms of their contracts of engagement. The appointment of agents and advisers is conducted by the Board after consideration of the expertise of each party and the Board monitors their ongoing performance and contractual arrangements to ensure that they remain effective.
- Mandates for authorisation of investment transactions and expense payments are set by the Board.

Through the application of the procedures set out above, and in accordance with the Financial Reporting Council's 'Guidance on Audit Committees' dated April 2016 and its 'Risk Management, Internal Control and Related Financial and Business Reporting' dated September 2014 and, up to the date of this report, the Directors have kept under review the effectiveness of the Company's internal controls throughout the year. During the course of its review of the system of internal controls systems, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

On behalf of the Audit Committee

Andrew Robson
Audit Committee Chairman
25 April 2019

DIRECTORS' REMUNERATION POLICY

A resolution to approve the Directors' Remuneration Policy was passed at the AGM held on 14 June 2017. The policy provisions set out below will apply until they are next put to shareholders for renewal of that approval. The Board is required to submit the remuneration policy to shareholders for approval at least once every three years, or if approval to vary the policy is being sought. The Remuneration Policy is binding and sets the parameters within which Directors' remuneration may be set.

Directors' fees are determined by the Board, based on the recommendations of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee considers the level of Directors' remuneration at least once each year, taking into account the workload and responsibilities involved, the skills and judgement required and comparisons with the industry generally.

The fees paid will be reviewed on an annual basis and may also be reviewed when new non–executive Directors are recruited to the Board. In the absence of major increases in the workload and responsibility involved, the Board does not expect fees to increase significantly over the next three years.

Directors are paid fees for their services provided as Directors and may be paid additional fees for further responsibilities taken on. Under the Company's Articles of Association ("Articles"), if any Director is requested to perform extra or special services, he/she is entitled to receive such additional remuneration as the Board may think fit, which may be either in addition to or in substitution for any other remuneration to which he/she may be entitled to receive.

As the Board is solely composed of non–executive Directors, the consideration of their remuneration does not involve any variable or performance–related bonuses, or other benefits such as pensions.

Further details of the current arrangements are set out below.

Component	**Director**	**Rate at 1 February 2019**	**Purpose of Remuneration**
Annual Fee	All non–executive Directors	£24,500	Commitment as a non–executive Director[1]
Additional Fee	Chair of the Board	£16,500	For additional responsibilities and time commitments[2]
Additional Fee	Chair of the Audit Committee	£3,500	For additional responsibilities and time commitments[3]
Additional Fee	Senior Independent Director	£2,500	For additional responsibilities and time commitments[4]
Additional Fee	All Directors	N/A	For extra or special services performed in their role as a Director[5]
Expenses	All Directors	N/A	Reimbursement of expenses incurred in the performance of duties[6]

1 The Company's Articles limit the aggregate fees payable to the Board of Directors to a total of £175,000 per annum. Subject to this overall limit, it is the Company's policy to determine the level of Directors' fees having regard to the level of fees payable to non–executive directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, and the time committed to the Company's affairs. It is also considered appropriate that no aspect of Directors' remuneration should be performance–related in light of the Directors' non–executive status.

2 The Company's policy is for the Chair of the Board to be paid a higher fee than the other Directors, to reflect the more onerous role.

3 The Company's policy is for the Chair of the Audit Committee to be paid a higher fee than other Directors, to reflect the more onerous role.

4 The Company's policy is for the Senior Independent Director, who is also Chair of the Nomination and Remuneration Committee, to be paid a higher fee than other Directors, to reflect the more onerous role.

5 This is a provision in the Company's Articles. Additional fees would only be payable in exceptional circumstances in relation to the performance of extra or special services.

6 Directors are entitled to claim expenses in respect of duties undertaken in connection with the management of the Company.

It is the Company's policy that no Director shall be entitled to any benefits in kind, share options, long–term incentives, pensions or other retirement benefits.

No Director has a contract of service with the Company; Directors are instead appointed by letters of appointment. A Director may resign by giving notice in writing to the Board at any time; there are no fixed notice periods nor any entitlement to compensation for loss of office.

In accordance with the Company's Articles, new Directors are required to stand for election at the first AGM following their appointment, and thereafter, are required to retire by rotation, so that over a three–year period all Directors have retired from the Board and have offered themselves for re–election.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Shareholder views on remuneration

Any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing levels of remuneration. Shareholders have the opportunity to express their views at the Company's AGM or by contacting the Chairman of the Nomination and Remuneration Committee or any of the Directors via the Company Secretary.

Approach to recruitment remuneration

The Board would expect that the remuneration of future Directors will be on the same basis as that of current Directors. It would not normally be a feature of the recruitment of non–executive Directors that any compensation payment for remuneration at previous appointments would be required nor that previous variable pay arrangements would be relevant.

If in the next three years, the Company were to decide to employ any executive Directors, major shareholders would be consulted regarding the appropriate provisions.

DIRECTORS' REMUNERATION REPORT

This Report is prepared in accordance with Schedule 8 of the Large and Medium–sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

An ordinary resolution to approve the Directors' Remuneration Report will be proposed at the AGM to be held on 12 June 2019.

ANNUAL STATEMENT FROM THE CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of all of the Directors of the Company, whose names and roles are set out on pages 23 and 24 of the Directors' Report. The Committee met twice during the year under review. The remuneration of each Director is discussed with the Chair of the Company and individual non–executive Directors are excluded from any discussion in relation to their own remuneration. As part of the process, the Committee considered:

- how Director compensation should be positioned relative to the Company's peers;
- the outcome of the annual review of the performance of the Board as a whole including the quality of contributions from individual Directors;
- the greater time commitment required of Directors of a trust with a multi–manager structure; and
- the increasingly regulated nature of the financial services industry.

Following a review of the time commitment required and the nature of the multi–manager structure used by the Company, the Committee recommended a small increase in the remuneration of the Directors. With effect from 1 February 2019, the basic remuneration for acting as a non–executive Director of the Company was increased by £250 and the additional remuneration for acting as Chair of the Board, Chair of the Audit Committee and Senior Independent Director were each increased by £500. It was also agreed that Board members would not claim travel expenses for meetings held in England.

When considering the levels of remuneration, the Directors conducted a review of director remuneration for similar roles across a number of other investment trusts of a similar size and/or complexity. The Directors feel that the increase in remuneration was fair in the circumstances and in line with industry practice and good governance.

ANNUAL REPORT ON REMUNERATION

The following section provides shareholders with an understanding of how the Company's remuneration policy has been implemented during the year.

The Board is satisfied that the changes to the remuneration of the Directors is compliant with the Company's remuneration policy, which was approved by shareholder vote at the Company's AGM held on 14 June 2017 and is in the best interests of shareholders.

The Remuneration Policy is set out on pages 42 and 43.

Board composition

As at 31 January 2019, the Board comprised five non–executive Directors, all of whom were independent of the Executive Manager and the portfolio managers. In accordance with the Company's Articles, new Directors are required to stand for election at the first AGM following their appointment, and thereafter, are required to retire by rotation, so that over a three–year period each Director will have retired from the Board and have offered themselves for re–election. In accordance with the AIC Code of Corporate Governance, Directors who have served on the Board for more than nine years must offer themselves for re–election on an annual basis.

Scheme interests awarded during the financial year

The Company does not operate a share incentive plan. None of the Directors receive any remuneration or any part of their fee in the form of shares in the Company, options to subscribe for shares, warrants or any other equity-based scheme.

Directors' interests (audited)

The Company does not have any requirement for any Director to own shares in the Company. The interests of the Directors of the Company (including their connected persons) as at 31 January 2019 are as follows:

Director	Type of holding	No. of fully paid Ordinary 25p shares 31 January 2019	31 January 2018
S Platts-Martin	Beneficial	**14,694**	9,000
D McMeekin	Beneficial	**15,000**	15,000
C Ralph	Beneficial	**5,180**	1,830
A Robson	Beneficial	**12,000**	12,000
D Seymour-Williams	Beneficial	**15,000**	15,000

The Directors' interests in shares remained unchanged as at 25 April 2019.

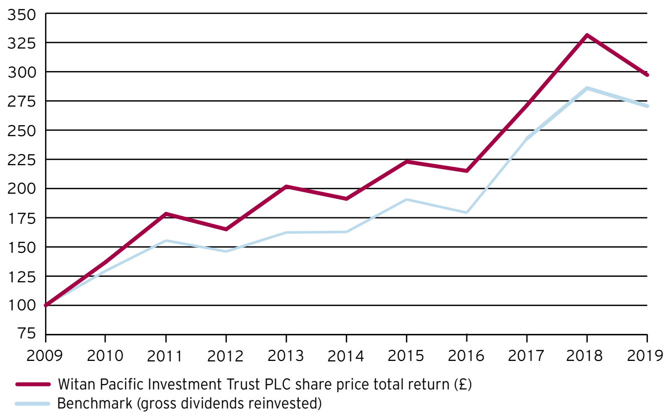
The consideration of Directors' remuneration

The Committee considered the remuneration of the Directors at a meeting held on 29 November 2018 at which all Directors of the Company were present. No person provided advice or services to the Committee that materially assisted the Committee in respect of their consideration of Directors' remuneration.

Company performance

The Board is responsible for the Company's investment strategy and performance, although day-to-day management of the Company's investment portfolios is delegated to the portfolio managers. An explanation of the performance of the Company is given in the Chair's Statement.

Performance graph



The performance graph above shows the share price total return to ordinary shareholders since 31 January 2009 compared to the total return of the MSCI AC Asia Pacific Index (gross dividends reinvested), the benchmark index against which the Company's performance is measured.

Relative importance of the spend on pay

The table below sets out, in respect of the financial years ended 31 January 2019 and 31 January 2018, Directors' fees as a relative proportion of the Company's outgoings.

	Year ended 31 January 2019 £'000	Year ended 31 January 2018 £'000	**Change %**
Management fees including performance fees[1]	**1,613**	1,480	+9.0
Dividends[2]	**4,347**	3,479	+24.9
Share buy-backs[3]	**2,694**	5,395	−50.1
Total Directors' fees	**142**	138	+2.9

1 This figure has been taken from the Income Statement.
2 The figure for this measure is taken from note 7 to the financial statements but does not include refund of unclaimed dividends.
3 This figure has been taken from the Statement of Changes in Equity.

As the Company has no employees and undertakes all its operations through portfolio managers and other service providers, the spend on management fees, alongside dividends and share buy-backs, was chosen to assist the shareholders in understanding the relative importance of spend on Directors' fees.

DIRECTORS' REMUNERATION REPORT continued

Directors' emoluments for the year (audited)

The Directors who served during the year received the following emoluments in the form of fees:

Director	Fees paid 2019 £	Fees paid 2018 £	Taxable benefit 2019 £	Taxable benefit 2018 £	Total 2019 £	Total 2018 £
S Platts-Martin (Chair)[1]	40,250	33,587	–	–	40,250	33,587
S Bates (Chair)[2]	-	14,705	–	–	-	14,705
D McMeekin (Senior Independent Director)	26,250	25,500	–	–	26,250	25,500
C Ralph (Director)[3]	24,250	13,708	–	–	24,250	13,708
A Robson (Chairman of the Audit Committee)	27,250	26,500	–	–	27,250	26,500
D Seymour-Williams (Director)	24,250	23,500	–	–	24,250	23,500
Totals	**142,250**	137,500	–	–	**142,250**	137,500

1 Ms Platts-Martin was appointed as Chair on 14 June 2017.

2 Mrs Bates retired and resigned as Chair and a Director on 14 June 2017.

3 Mr Ralph was appointed as a Director on 1 July 2017.

The amounts paid by the Company to the Directors were for services as non-executive Directors.

The Company's Articles limit the aggregate fees payable to the Board of Directors to a total of £175,000 per annum.

Loss of office (audited)

Directors do not have service contracts with the Company but are engaged under letters of appointment. These specifically exclude any entitlement to compensation upon leaving office for whatever reason.

Sums paid to third parties

None of the fees referred to in the above table were paid to any third party in respect of the services provided by any of the Directors.

Other benefits

The Company's Articles provide that Directors are entitled to be reimbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

As non-executive Directors, none of the Directors of the Company are entitled to any pension contribution from the Company.

Statement of voting at the AGM

The table below sets out the voting at the Company's AGM held on 14 June 2017 in respect of the resolution proposed to approve the Company's Remuneration Policy and at the AGM held on 13 June 2018 in respect of the resolution to approve the Directors' Remuneration Report for the year to 31 January 2018.

Resolution	Votes for[1] % of votes cast	Votes against % of votes cast	Votes withheld	Total votes cast
To approve the Company's Remuneration Policy	98.94	1.06	198,931	34,652,810
To approve the Directors' Remuneration Report	99.07	0.93	250,942	34,107,998

1 Votes 'for' include discretionary proxy votes granted to the Chair by shareholders.

Implementation of the remuneration policy for the year to 31 January 2020

The overwhelmingly positive votes in favour of the resolutions in 2017 and 2018 to approve the Company's Remuneration Policy and the Directors' Remuneration Report respectively indicated strong support for both the Company's policy on Directors' remuneration and the implementation of that policy. No significant changes are expected in the Company's approach to Director remuneration, however, the Company's policy and the overall remuneration of each Director will continue to be monitored by the Committee taking into account those matters referred to in the annual statement above.

Approval of the Annual Report on Remuneration

The annual report on remuneration was approved by the Board on 25 April 2019.

On behalf of the Board

Dermot McMeekin

Chairman of the Nomination and Remuneration Committee
25 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the net return or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on www.witanpacific.com, which is a website maintained by the Company's Executive Manager, Witan Investment Services Limited. The Directors are responsible for the maintenance and integrity of the Company's website. The work carried out by the Independent Auditors does not involve consideration of the maintenance and integrity of the website and accordingly, the Independent Auditors accept no responsibility for any changes that have occurred to the Annual Report and Accounts since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 23 and 24, confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), give a true and fair view of the assets, liabilities, financial position and net loss of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Susan Platts–Martin

Chair
25 April 2019

INDEPENDENT AUDITORS' REPORT

to the members of Witan Pacific Investment Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, Witan Pacific Investment Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2019 and of its net loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 January 2019; the Income Statement, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non–audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We have provided no non–audit services to the Company in the period from 1 February 2018 to 31 January 2019.

Our audit approach

Overview

Materiality	■ Overall materiality: £2.2 million (2018: £2.4 million), based on 1% of net assets.
Audit Scope	■ The Company is a standalone investment trust company and engages Aberdeen Asset Managers Limited, Matthews International Capital Management LLC, Dalton Investments LLC and Robeco Institutional Asset Management BV (the "Managers") to manage its assets. ■ We conducted our audit of the financial statements at BNP Paribas Securities Services (the "Administrator") to whom the Company has delegated the provision of certain administrative functions. ■ We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
Key audit matters	■ Revenue recognition. ■ Valuation and existence of investments.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non–compliance with laws and regulations related to section 1158 of the Corporation Tax Act 2010 (see page 38 of the Annual Report), and we considered the extent to which non–compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting

Directors' report

INDEPENDENT AUDITORS' REPORT continued

inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value. Audit procedures performed by the engagement team included:

- enquiries of management, including consideration of known or suspected instances of non–compliance with laws and regulations and fraud;
- reviewing relevant meeting minutes, including those of the Audit Committee;
- testing the Company's compliance with section 1158 of the Corporation Tax Act 2010 in the current year;
- identifying and testing journal entries, in particular all manual journal entries posted by the Administrator during the preparation of the financial statements;
- understanding the operating effectiveness of the Administrator and Managers' internal controls designed to detect and prevent irregularities; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our audit procedures.

There are inherent limitations in the audit procedures described above and the further removed non–compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition *Refer to page 38 (Audit Committee Report), pages 58 and 59 (Significant Accounting Policies) and page 60 (Notes to the Financial Statements).* We focused on the accuracy and completeness of dividend income recognition and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP"). This is because incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover.	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with the stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. In addition, we tested dividend amounts by agreeing the dividend rates to independent third party sources. No misstatements were identified which required reporting to those charged with governance. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for investment holdings in the portfolio. Our testing did not identify any unrecorded dividends. We tested the allocation and presentation of dividend income between the income and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP. We then tested the validity of special dividends to independent third party sources. No misstatements were identified which required reporting to those charged with governance.
Valuation and existence of investments *Refer to page 38 (Audit Committee Report), page 58 (Significant Accounting Policies) and page 65 (Notes to the Financial Statements).* The investment portfolio at the year–end was valued at £215.8 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the financial statements.	We tested the valuation of the investment portfolio by agreeing the prices used in the valuation to independent third party sources. No misstatements were identified by our testing which required reporting to those charged with governance. We tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation from JP Morgan Chase Bank N.A. No differences were identified by our testing which required reporting to those charged with governance.

INDEPENDENT AUDITORS' REPORT continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over those accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Managers and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant control reports issued by the independent service auditor of the Managers, where available, and the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£2.2 million (2018: £2.4 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £110,000 (2018: 122,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.
We are required to report if the Directors' statement relating to going concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority ("FCA") require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 January 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (*CA06)*

The Directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 20 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on page 22 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the Directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer–term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit. *(Listing Rules)*

Other Code provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 48, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.
- The section of the Annual Report on pages 37 to 41 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. *(CA06)*

INDEPENDENT AUDITORS' REPORT continued

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 48, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the Directors in 1985 to audit the financial statements for the year ended 31 January 1986 and subsequent financial periods. The period of total uninterrupted engagement is 34 years, covering the years ended 31 January 1986 to 31 January 2019.

Sally Cosgrove

(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 April 2019

INCOME STATEMENT

for the year ended 31 January 2019

			Year ended 31 January 2019			Year ended 31 January 2018		
	Revenue note	Capital note	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss		8	**–**	**(21,782)**	**(21,782)**	–	33,241	33,241
Exchange losses		14	**–**	**(123)**	**(123)**	–	(344)	(344)
Investment income	2		**6,577**	**–**	**6,577**	5,740	–	5,740
Management fees	3	3	**(403)**	**(1,210)**	**(1,613)**	(370)	(1,110)	(1,480)
Other expenses	4	14	**(796)**	**(54)**	**(850)**	(879)	(64)	(943)
Net (loss)/return before taxation			**5,378**	**(23,169)**	**(17,791)**	4,491	31,723	36,214
Taxation	5	5	**(424)**	**–**	**(424)**	(350)	(6)	(356)
Net (loss)/return after taxation			**4,954**	**(23,169)**	**(18,215)**	4,141	31,717	35,858
(Loss)/return per Ordinary share – pence	6	6	**7.88**	**(36.84)**	**(28.96)**	6.52	49.90	56.42

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 notes on pages 58 to 73 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 January 2019

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Shareholders' funds £'000
Year ended 31 January 2019							
At 1 February 2018		**16,486**	**5**	**41,085**	**175,084**	**11,795**	**244,455**
Net (loss)/return after taxation and total comprehensive (expense)/income		**–**	**–**	**–**	**(23,169)**	**4,954**	**(18,215)**
Purchase of own shares	12	**–**	**–**	**–**	**(2,694)**	**–**	**(2,694)**
Dividends paid	7	**–**	**–**	**–**	**–**	**(3,617)**	**(3,617)**
At 31 January 2019		**16,486**	**5**	**41,085**	**149,221**	**13,132**	**219,929**

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Shareholders' funds £'000
Year ended 31 January 2018							
At 1 February 2017		16,486	5	41,085	148,762	10,697	217,035
Net return after taxation and total comprehensive income		–	–	–	31,717	4,141	35,858
Purchase of own shares	12	–	–	–	(5,395)	–	(5,395)
Dividends paid	7	–	–	–	–	(3,043)	(3,043)
At 31 January 2018		16,486	5	41,085	175,084	11,795	244,455

The notes on pages 58 to 73 form an integral part of these financial statements.

BALANCE SHEET

as at 31 January 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Investments held at fair value through profit or loss	8	**215,797**	240,565
Current assets			
Debtors	9	**1,424**	1,899
Cash at bank and in hand		**4,310**	4,392
		5,734	6,291
Creditors			
Amounts falling due within one year	10	**(1,602)**	(2,401)
		(1,602)	(2,401)
Net current assets		**4,132**	3,890
Total assets less current liabilities		**219,929**	244,455
Net assets		**219,929**	244,455
Capital and reserves			
Called up share capital	12	**16,486**	16,486
Share premium account		**5**	5
Capital redemption reserve	13	**41,085**	41,085
Capital reserves	14	**149,221**	175,084
Revenue reserve	14	**13,132**	11,795
Total shareholders' funds		**219,929**	244,455
Net asset value per Ordinary share – pence	15	**352.54**	386.58

The financial statements on pages 55 to 73 were authorised and approved by the Board of Directors of Witan Pacific Investment Trust plc on 25 April 2019 and signed on its behalf by:

Susan Platts–Martin, Chair

The notes on pages 58 to 73 form an integral part of these financial statements.
Company Registration Number 91798

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2019

1. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in the UK ("UK GAAP"), including the Companies Act 2006, Financial Reporting Standard 102 ("FRS 102") and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted. The accounting policies have been applied consistently throughout the year.

The financial statements have been prepared under the historical cost basis except for the measurement of fair value of investments. In applying FRS 102, financial instruments have been accounted for in accordance with Sections 11 and 12 of the standard. All of the Company's operations are of a continuing nature.

As an investment fund, the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets all the following conditions: substantially all of the entity's investments are highly liquid and are carried at market value; and where a Statement of Changes in Equity is provided.

(b) Valuation of investments

All investments have been designated upon initial recognition as fair value through profit or loss. This is because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis.

Investments are recognised and de–recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are valued at fair value through profit or loss.

Listed investments have been designated by the Board as held at fair value through profit or loss and accordingly are valued at fair value, deemed to be bid market prices for quoted investments and therefore included in Level 1 investments. Investments included in Level 2 under the Fair Value Hierarchy disclosures in note 16(g) consist of unlisted reportable funds within the portfolio, these being Aberdeen Global Indian Equity UCITS and Aberdeen Global China A Equity UCITS. These are priced daily using their net asset value, which is the fair value.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as "Gains or losses on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase. All purchases and sales are accounted for on a trade date basis.

(c) Foreign currency

The results and financial position of the Company are expressed in pounds sterling, which is the functional and presentation currency of the Company and rounded to the nearest £'000.

The Directors, having regard to the currency of the Company's share capital and the predominant currency in which the Company operates, have determined the functional currency to be pounds sterling. The results and financial position of the Company are therefore expressed in pounds sterling.

Transactions recorded in foreign currencies during the year are translated into sterling at the appropriate daily exchange rates. Monetary assets and liabilities denominated in overseas currencies (including equity investments) at the year end date are translated into sterling at the exchange rates ruling at that date.

Any gains or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or revenue return of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature.

(d) Income

Income from equity shares is brought into the revenue return of the Income Statement (except where, in the opinion of the Directors, its nature indicates it should be recognised as capital return) on the ex–dividend date, or where no ex–dividend date is quoted, when the Company's right to receive payment is established.

1. Significant accounting policies (continued)

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital reserve.

Any bank interest and underwriting commission is accounted for on an accruals basis.

(e) Expenses including finance costs

Finance costs are accounted for on an accruals basis. Finance costs are fully allocated to revenue.

The management fees are charged 25% to the revenue return and 75% to the capital return of the Income Statement.

In previous years, management fee rebates of the fee on Gavekal Asian Opportunities UCITS have been credited against management fees paid.

All other expenses are charged to the revenue return of the Income Statement, with the exception of the following which are charged to the capital return of the Income Statement:

- performance fees/repayments insofar as they relate to capital performance; and
- expenses incidental to the acquisition or disposal of investments.

All expenses are accounted for on an accruals basis.

(f) Taxation

The tax effect of different items of expenditure is allocated between capital and revenue on the marginal basis using the Company's effective rate of corporation taxation for the accounting period.

Deferred taxation is provided on all timing differences that have originated but not been reversed by the year end date other than those differences regarded as permanent. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the reversal of timing differences can be deducted. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

(g) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

(h) Repurchase of Ordinary shares

The cost of repurchasing Ordinary shares including related stamp duty and transaction costs is taken directly to equity and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis.

(i) Capital reserves

Capital reserve arising on investments sold

The following transactions are accounted for in this reserve:

- gains and losses on the realisation of fixed asset investments;
- realised exchange differences of a capital nature;
- costs of professional advice, including irrecoverable VAT, relating to the capital structure of the Company;
- other capital charges and credits charged or credited to this account in accordance with the above policies; and
- cost of purchasing Ordinary share capital.

NOTES TO THE FINANCIAL STATEMENTS continued

1. Significant accounting policies (continued)

Capital reserve arising on investments held

The following transactions are accounted for in this reserve:

- increase and decrease in the valuation of investments held at the year end; and
- unrealised exchange differences of a capital nature.

(j) Dividends payable

In accordance with FRS 102, final dividends are not accrued in the financial statements unless they have been approved by shareholders before the year end date. Interim dividends are recorded in the financial statements when they are paid. Dividends payable to equity shareholders are recognised in the Statement of Changes in Equity when they have been approved by shareholders in the case of a final dividend, or paid in the case of an interim dividend and become a liability of the Company.

(k) Critical accounting estimates

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not always readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may vary from these estimates. Excluding the provisions for any performance fees payable, of which there are none this year (2018: none), the Directors do not consider there are any such items in the financial statements.

Details of the performance fee and the basis for the calculation of performance fees payable at the Balance Sheet date is disclosed in note 11, including the assumptions made by the Directors in computing the provision.

2. Investment income

	2019 £'000	2018 £'000
Income from investments held at fair value through profit and loss:		
Overseas dividends	**6,235**	5,204
UK dividends	**311**	426
Scrip dividends	**27**	110
Total dividend income	**6,573**	5,740
Other income:		
Bank interest	**2**	–
Other income	**2**	–
Total other income	**4**	–
Total income	**6,577**	5,740

3. Management and performance fees

	2019 £'000	2018 £'000
Charged to revenue return:		
Management fees[1]	**403**	397
Management fee rebates[2]	**–**	(27)
	403	370
Charged to capital return:		
Management fees[1]	**1,210**	1,190
Management fee rebates[2]	**–**	(80)
	1,210	1,110
Total management fees	**1,613**	1,480
Performance fees charged to capital return	**–**	–

1 The management fees stated above include fees paid to Witan Investment Services Limited of £290,000 (2018: £296,000).

2 This figure relates to rebates of management fees associated with the Gavekal Asian Opportunities UCITS.

Management fees are charged 75% to capital return and 25% to revenue return respectively.

The allocation percentages approximate to the split of historic returns between capital and income and reflect the Board's expectation of the long–term split of returns in compliance with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. Performance fees, when payable, will be charged wholly to the capital account.

Further details of management fees can be found in note 17.

NOTES TO THE FINANCIAL STATEMENTS continued

4. Other expenses

	2019 £'000	2018 £'000
Auditors' remuneration:		
– for audit services	**33**	32
Custody fees	**103**	96
Directors' emoluments: fees for services to the Company	**142**	138
Directors' expenses and travel[1]	**1**	39
Marketing[2]	**145**	175
Printing and postage	**27**	37
Secretarial and Administration fees	**158**	154
Directors' and Officers' liability insurance	**7**	7
Registrars' fees	**32**	30
Professional fees[3]	**64**	54
Sundry expenses	**84**	117
	796	879

1 Costs in 2018 relate primarily to a Board visit to the Asia Pacific region, which is conducted every two to three years to meet the portfolio managers and other industry participants.

2 The marketing expense stated above includes fees paid to Witan Investment Services Limited of £75,000 (2018: £75,000).

3 Costs in the current year include professional fees in respect of reclaims of foreign taxes, professional fees in relation to foreign tax compliance and fees for advice on the introduction of GDPR.

Additional information concerning transactions with Directors and Directors' fees can be found in the Directors' Remuneration Report on pages 44 to 47.

5. Taxation

(a) Analysis of tax charge for the year

	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
Overseas taxation	**424**	**–**	**424**	350	6	356
Total taxation	**424**	**–**	**424**	350	6	356

5. Taxation (continued)

(b) Factors affecting tax charge for the year

The effective UK corporation tax rate is 19% (2018: 19.17%). The tax assessed for the year is higher (2018: lower) than the UK corporation tax rate. The differences are explained below:

	2019 Revenue return £'000	2019 Capital return £'000	2019 Total £'000	2018 Revenue return £'000	2018 Capital return £'000	2018 Total £'000
Net (loss)/return before taxation	**5,378**	**(23,169)**	**(17,791)**	4,491	31,723	36,214
Corporation tax at 19.00% (2018: 19.17%)	**1,022**	**(4,402)**	**(3,380)**	861	6,081	6,942
Effects of:						
Non–taxable overseas dividends	**(1,181)**	**–**	**(1,181)**	(1,038)	–	(1,038)
Non–taxable UK dividends	**(59)**	**–**	**(59)**	(91)	–	(91)
Overseas taxation	**424**	**–**	**424**	350	6	356
Disallowed expenses	**–**	**10**	**10**	–	12	12
Realised gains on non–reporting offshore funds	**–**	**7**	**7**	–	–	–
Income taxable in different years	**–**	**–**	**–**	–	35	35
Tax effect of expensed double taxation relief	**–**	**–**	**–**	–	–	–
Excess management expenses and finance costs	**218**	**230**	**448**	268	178	446
Net capital returns not subject to tax[1]	**–**	**4,155**	**4,155**	–	(6,306)	(6,306)
Tax charge for the year	**424**	**–**	**424**	350	6	356

1 These items are not subject to corporation tax within an investment trust company provided the Company obtains approval from HM Revenue & Customs ("HMRC") that the requirements of Section 1158–1159 of the Corporation Tax Act 2010 have been met.

(c) Deferred taxation

The Company has not recognised a deferred tax asset of £3,063,000 (2018: £2,637,000) arising as a result of excess management expenses and interest paid. These expenses will only be utilised if the Company has profits chargeable to corporation tax in the future. It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and deficits and therefore no deferred tax asset has been recognised.

(d) Protective claim

Witan Pacific has filed protective claims with HMRC and the UK High Court in order to seek recovery of potentially overpaid taxes from HMRC in relation to the UK's pre–2009 dividend tax rules. The claims cover historic periods in which Witan Pacific paid UK tax under Schedule D Case V. In such periods, Witan Pacific is seeking recovery of the tax paid together with interest on a compound basis. No tax or related interest recovery has been accrued or recognised as a contingent asset, as the outcome of lead cases in this area is uncertain at this time.

NOTES TO THE FINANCIAL STATEMENTS continued

6. (Loss)/return per Ordinary share

The total loss per Ordinary share is based on the net loss attributable to the Ordinary shares of £18,215,000 (2018: gain of £35,858,000) and on 62,888,550 Ordinary shares (2018: 63,560,181), being the weighted average number of shares in issue during the year.

The total (loss)/return can be analysed as follows:

	2019 £'000	2018 £'000
Revenue return	**4,954**	4,141
Capital (loss)/return	**(23,169)**	31,717
Total (loss)/return	**(18,215)**	35,858
Weighted average number of Ordinary shares	**62,888,550**	63,560,181
Revenue return per Ordinary share – pence	**7.88**	6.52
Capital (loss)/return per Ordinary share – pence	**(36.84)**	49.90
Total (loss)/return per Ordinary share – pence	**(28.96)**	56.42

The Company does not have any dilutive securities.

7. Dividends

Dividends on Ordinary shares	Record date	Payment date	2019 £'000	2018 £'000
Final dividend (2.55p) for the year ended 31 January 2017	**19 May 2017**	**19 June 2017**	**–**	1,618
Interim dividend (2.25p) for the year ended 31 January 2018	**20 October 2017**	**30 October 2017**	**–**	1,425
Final dividend (3.25p) for the year ended 31 January 2018	**18 May 2018**	**18 June 2018**	**2,054**	–
Interim dividend (2.50p) for the year ended 31 January 2019	**19 October 2018**	**29 October 2018**	**1,563**	–
			3,617	3,043

The proposed final dividend for the year ended 31 January 2019 is subject to approval by shareholders at the AGM and has not been included as a liability in these financial statements.

The total dividend payable in respect of the financial year which meets the requirements of Section 1158 of the Corporation Tax Act 2010 is set out below.

	2019 £'000	2018 £'000
Revenue available for distribution by way of dividend for the year	**4,954**	4,141
Interim dividend 2.50p (2018: 2.25p) for the year ended 31 January 2019	**(1,563)**	(1,425)
Proposed final dividend of 4.50p (2018: 3.25p) for the year ended 31 January 2019 (based on 61,866,445 Ordinary shares in issue at 23 April 2019)	**(2,784)**	(2,054)
Retained surplus for the year	**607**	662

8. Investments held at fair value through profit or loss

	2019 £'000	2018 £'000
Cost at start of year	**185,322**	144,367
Investment holding gains at start of year	**55,243**	66,378
Valuation at start of year	**240,565**	210,745
Movements in the year:		
Purchases at cost	**66,299**	146,312
Sales – proceeds	**(69,285)**	(149,733)
– gains on sales	**9,221**	44,376
Decrease in investment holding gains	**(31,003)**	(11,135)
Valuation at 31 January	**215,797**	240,565
Cost at 31 January	**191,557**	185,322
Investment holding gains at 31 January	**24,240**	55,243
	215,797	240,565

Purchase transaction costs for the year ended 31 January 2019 were £89,000 (2018: £180,000). Sale transaction costs for the year ended 31 January 2019 were £123,000 (2018: £183,000). These comprise mainly charges and commission. The portfolio manager changes that occurred during the year ended 31 January 2018 contributed to the uplift in transaction costs during that year.

(Losses)/gains on investments

	2019 £'000	2018 £'000
Gains on investments sold based on historical cost	**9,221**	44,376
Less: amounts recognised as unrealised in previous years	**(16,369)**	(37,539)
(Losses)/gains based on carrying value at previous balance sheet date	**(7,148)**	6,837
Net movement in investment holding (losses)/gains in the year	**(14,634)**	26,404
(Losses)/gains on investments held at fair value through profit or loss	**(21,782)**	33,241

Substantial interests

At 31 January 2019, the Company did not hold more than 3% of one class of the share capital of one of the undertakings held as investments (2018: none).

All investment are quoted on recognised stock exchanges or are UCITS Funds with published net asset values.

NOTES TO THE FINANCIAL STATEMENTS continued

9. Debtors

	2019 £'000	2018 £'000
Sales for future settlement	813	1,355
Other debtors	23	27
Prepayments and accrued income	588	517
	1,424	1,899

10. Creditors: amounts falling due within one year

Other	2019 £'000	2018 £'000
Purchases for future settlement	1,004	1,572
Accruals	598	829
	1,602	2,401

11. Provisions for liabilities and charges

Aberdeen Asset Managers Limited ("Aberdeen") is entitled to a performance fee based on relative outperformance against the MSCI AC Asia Pacific Index (sterling adjusted total return). The performance fee is calculated according to investment performance over a three–year rolling period and is payable at a rate of 15% of the calculated outperformance relative to the benchmark (subject to a cap).

Any provisions included in the Income Statement at 31 January 2019 are calculated on the actual performance of Aberdeen relative to the benchmark index. The provision is computed applying the following assumptions:

- that the benchmark index remains unchanged;
- Aberdeen's assets under management perform in line with the benchmark index to 31 May 2019, being the date the next performance period ends; and
- the future value of assets for performance fees purposes is the same as that at the Balance Sheet date.

In addition, provisions are made where necessary for the performance periods ending 31 May 2020 and 31 May 2021, applying the same assumptions as above. The total of all these provisions as at 31 January 2019 amounts to £nil (31 January 2018: £nil).

Changes in the level of accrual for future performance periods could arise for one of the three principal reasons: a change in the degree of relative performance, the time elapsed (since this would increase the proportion of the rolling three–year performance period to which the performance calculation would be applied) or the termination of Aberdeen's contract.

12. Called up share capital

Equity share capital	2019 Number	2019 £'000	2018 Number	2018 £'000
Ordinary shares of 25p each:				
Issued and fully paid	62,383,404	15,596	63,235,750	15,809
Held in treasury	3,560,596	890	2,708,250	677
	65,944,000	16,486	65,944,000	16,486

In the year ended 31 January 2019, 852,346 Ordinary shares were purchased to be held in treasury at a total cost of £2,694,000. In the year ended 31 January 2018, there were 1,769,293 shares purchased to be held in treasury at a total cost of £5,395,000.

13. Capital redemption reserve

	2019 £'000	2018 £'000
Balance brought forward and carried forward	**41,085**	41,085

The capital redemption reserve is used to fund amounts equivalent to the nominal value of any of the Company's own shares purchased and cancelled.

14. Reserves

	Capital reserve arising on investments sold* £'000	Capital reserve arising on investments held £'000	Capital reserve total £'000	Revenue reserve* £'000
Balance brought forward	**119,837**	**55,247**	**175,084**	**11,795**
Movement during the year:				
Losses on investments sold	**(7,148)**	**–**	**(7,148)**	**–**
Transfer on disposal of investments	**16,369**	**(16,369)**	**–**	**–**
Decrease in investment holding gains	**–**	**(14,634)**	**(14,634)**	**–**
Exchange losses	**(123)**	**–**	**(123)**	**–**
Management and performance fees	**(1,210)**	**–**	**(1,210)**	**–**
Other capital charges	**(54)**	**–**	**(54)**	**–**
Purchase of own shares	**(2,694)**	**–**	**(2,694)**	**–**
Revenue return for the year	**–**	**–**	**–**	**4,954**
Dividends paid	**–**	**–**	**–**	**(3,617)**
Balance carried forward	**124,977**	**24,244**	**149,221**	**13,132**

* Distributable reserve.

Under the terms of the Company's Articles of Association, sums standing to the credit of Capital Reserves are available for distribution only by way of redemption, purchase of any of the Company's own shares or by way of dividend. The Company may only distribute accumulated "realised" profits.

15. Net asset value per Ordinary share

Net asset values are based on net assets of £219,929,000 (2018: £244,455,000) and on 62,383,404 (2018: 63,235,750) Ordinary shares in issue at the year end excluding shares held in treasury. The net asset value per Ordinary share at 31 January 2019 was 352.54p (2018: 386.58p).

16. Risk management policies and procedures

As an investment trust, the Company invests in equities and other investments for the long term so as to achieve its objective as stated on page 14. In pursuing its investment objective, the Company is exposed to a variety of financial risks that could result in either a reduction in the Company's net assets or a reduction in the revenue available for distribution by way of dividends.

These financial risks: market risk (comprising market price risk, currency risk and interest rate risk), liquidity risk and credit risk, and the Directors' approach to the management of these risks, are set out below. The Board of Directors and the Executive Manager coordinate the Company's risk management. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

NOTES TO THE FINANCIAL STATEMENTS continued

16. Risk management policies and procedures (continued)

The Board determines the objectives, policies and processes for managing the risks that are set out below, under the relevant risk category. The policies for the management of each risk have not changed from the previous accounting period.

(a) Market risk

The fair value of an instrument held by the Company may fluctuate due to changes in market prices. Market risk comprises – market price risk (see note 16(b)), currency risk (see note 16(c)) and interest rate risk (see note 16(d)). The portfolio managers assess the exposure to market risk when making each investment decision and monitor the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(b) Market price risk

Market price risks (changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

Management of the risk

The Board of Directors manages the risks inherent in the investment portfolios by ensuring full and timely access to relevant information from the portfolio managers and through diversification at the stock level and of management style. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the portfolio managers' compliance with the Company's objectives, and is directly responsible for oversight of the investment strategy and asset allocation.

The market value of quoted investments at 31 January 2019 was £215,797,000 (2018: £240,565,000).

Concentration of exposure to market price risk

A geographical analysis of the Company's investment portfolio is shown on page 9. This shows the significant amounts invested in China/Hong Kong, Japan, South Korea and Singapore. Accordingly, there is a concentration of exposure to those countries, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 25% (2018: 25%) in the fair value of the Company's investments. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's investments at each year end date and the investment management fees for the year ended 31 January 2019, with all other variables held constant.

	2019 Increase in fair value £'000	**2019 Decrease in fair value £'000**	2018 Increase in fair value £'000	2018 Decrease in fair value £'000
Income Statement – return after tax				
Revenue return	**(76)**	**76**	(85)	85
Capital return	**53,721**	**(53,721)**	59,886	(59,886)
Impact on total return after tax for the year and net assets	**53,645**	**(53,645)**	59,801	(59,801)

16. Risk management policies and procedures (continued)

(c) Currency risk

Most of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency, and in which it reports its results). As a result, movements in exchange rates may affect the sterling value of those items.

Management of the risk

The portfolio managers monitor the Company's exposure to foreign currencies and report to the Board on a regular basis. The Executive Manager monitors the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the exchange rates to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency exposure

The table below shows, by currency, the split of the Company's non–sterling monetary assets and investments that are denominated in currencies other than sterling. The exposure is shown on a direct basis and not on a look–through basis.

2019	**HK$ £'000**	**KRW £'000**	**US$ £'000**	**Yen £'000**	**Other £'000**
Debtors (due from brokers, dividends and other income receivable)	**262**	**–**	**–**	**460**	**91**
Cash at bank and in hand	**1**	**–**	**516**	**4**	**15**
Creditors (due to brokers, accruals and other creditors)	**(1,004)**	**–**	**–**	**–**	**–**
Total foreign currency exposure on net monetary items	**(741)**	**–**	**516**	**464**	**106**
Investments at fair value through profit or loss	**54,011**	**22,200**	**19,002**	**66,564**	**52,306**
Total net foreign currency exposure	**53,270**	**22,200**	**19,518**	**67,028**	**52,412**

2018	HK$ £'000	KRW £'000	US$ £'000	Yen £'000	Other £'000
Debtors (due from brokers, dividends and other income receivable)	20	610	–	697	28
Cash at bank and in hand	5	–	886	138	50
Creditors (due to brokers, accruals and other creditors)	(207)	(701)	(60)	(403)	(201)
Total foreign currency exposure on net monetary items	(182)	(91)	826	432	(123)
Investments at fair value through profit or loss	56,518	28,596	22,804	70,992	59,466
Total net foreign currency exposure	56,336	28,505	23,630	71,424	59,343

Foreign currency sensitivity

The sensitivity of the total return after tax for the year and the net assets in regard to the movements in the Company's foreign currency financial assets and financial liabilities and the exchange rates for the top four risk currencies are set out below:

It assumes the following changes in exchange rates:

£/US$ +/– 15% (2018: 15%)
£/HK$ +/– 15% (2018: 15%)
£/Yen +/– 15% (2018: 15%)
£/KRW +/– 15% (2018: 15%)
£/Other +/– 15% (2018: 15%)

NOTES TO THE FINANCIAL STATEMENTS continued

16. Risk management policies and procedures (continued)

These percentages have been determined based on the average market volatility in exchange rates in the previous five years and using the Company's foreign currency financial assets and financial liabilities held at each year end date.

If sterling had strengthened against the currencies shown, this would have had the following effect:

	2019 US$ £'000	2019 HK$ £'000	2019 Yen £'000	2019 KRW £'000	2019 Other £'000	2018 US$ £'000	2018 HK$ £'000	2018 Yen £'000	2018 KRW £'000	2018 Other £'000
Income Statement – return after tax										
Revenue return	**(93)**	**(152)**	**(162)**	**(66)**	**(263)**	(89)	(122)	(138)	(43)	(203)
Capital return	**(2,468)**	**(7,014)**	**(8,645)**	**(2,883)**	**(6,792)**	(2,961)	(7,340)	(9,220)	(3,714)	(7,723)
Impact on total return after tax for the year and net assets	**(2,561)**	**(7,166)**	**(8,807)**	**(2,949)**	**(7,055)**	(3,050)	(7,462)	(9,358)	(3,757)	(7,926)

If sterling had weakened against the currencies shown, this would have had the following effect:

	2019 US$ £'000	2019 HK$ £'000	2019 Yen £'000	2019 KRW £'000	2019 Other £'000	2018 US$ £'000	2018 HK$ £'000	2018 Yen £'000	2018 KRW £'000	2018 Other £'000
Income Statement – return after tax										
Revenue return	**125**	**206**	**219**	**90**	**355**	120	166	187	58	275
Capital return	**3,338**	**9,490**	**11,696**	**3,901**	**9,190**	4,007	9,931	12,474	5,025	10,447
Impact on total return after tax for the year and net assets	**3,463**	**9,696**	**11,915**	**3,991**	**9,545**	4,127	10,097	12,661	5,083	10,722

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently.

(d) Interest rate risk

Interest rate movements may affect the interest payable on the Company's variable rate borrowings where applicable.

Management of the risk

The majority of the Company's financial assets are non–interest bearing. As a result, the Company's financial assets are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

Interest rate exposure

The exposure at 31 January 2019 of financial assets and financial liabilities to interest rate risk is shown by reference to floating interest rates – when the interest rate is due to be reset.

	2019 Within one year £'000	**2019 Total £'000**	2018 Within one year £'000	2018 Total £'000
Exposure to floating interest rates:				
Cash at bank and in hand	**4,310**	**4,310**	4,392	4,392
Total net exposure to interest rates	**4,310**	**4,310**	4,392	4,392

The Company does not have any fixed interest rate exposure at 31 January 2019 (2018: nil). Interest receivable and finance costs are at the following rates:

- Interest received on cash balances, or paid on bank overdrafts, is at a margin under LIBOR or its foreign currency equivalent (2018: same).

16. Risk management policies and procedures (continued)

Interest rate sensitivity

The Company is not materially, directly exposed to changes in interest rates as the majority of financial assets are equity shares which do not pay interest. Therefore, the Company's total return and net assets are not materially affected by changes in interest rates.

(e) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities that are readily realisable.

The Board gives guidance to the portfolio managers as to the maximum amount of the Company's resources that should be invested in one company.

Liquidity risk exposure

The remaining contractual maturities of the financial liabilities at 31 January 2019, based on the earliest date on which payment can be required are as follows:

	3 months or less £'000	**More than 3 months, not more than one year £'000**	**More than one year £'000**	**2019 Total £'000**	3 months or less £'000	More than 3 months, not more than one year £'000	More than one year £'000	2018 Total £'000
Creditors: amounts falling due within one year								
Amounts due to brokers and accruals	**1,602**	**–**	**–**	**1,602**	2,401	–	–	2,401
	1,602	**–**	**–**	**1,602**	2,401	–	–	2,401

(f) Credit risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

Management of the risk

The risk is not significant, and is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit standing is reviewed periodically by the portfolio managers;
- cash at bank and in hand are held only with the Company's custodian, JP Morgan. None of the Company's financial assets have been pledged as collateral.

(g) Fair values of financial assets and financial liabilities

Investments are held at fair value through profit or loss. All liabilities are held in the Balance Sheet at a reasonable approximation of fair value.

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or the Balance Sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals and cash at bank).

NOTES TO THE FINANCIAL STATEMENTS continued

16. Risk management policies and procedures (continued)

Fair value hierarchy disclosures

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

- Level 1: The unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The financial assets and liabilities measured at fair value in the Balance Sheet are grouped into the fair value hierarchy at the reporting date as follows:

Financial assets and financial liabilities at fair value through profit or loss	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
At 31 January 2019				
Equity investments	**208,530**	**7,267**	**–**	**215,797**
Total	**208,530**	**7,267**	**–**	**215,797**

Financial assets and financial liabilities at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 January 2018				
Equity investments	231,508	9,057	–	240,565
Total	231,508	9,057	–	240,565

The valuation techniques used by the Company are explained in the accounting policies in note 1(b).

There were no transfers during the year between Level 1 and Level 2.

Investments classified as Level 2 are Aberdeen Global Indian Equity UCITS and Aberdeen Global China A Equity UCITS (2018: Aberdeen Global Indian Equity UCITS and Aberdeen Global China A Equity UCITS).

(h) Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders.

The Company's capital at 31 January 2019 comprises its equity share capital and reserves that are shown in the Balance Sheet at a total of £219,929,000 (2018: £244,455,000).

The Board, with the assistance of the Executive Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis.

16. Risk management policies and procedures (continued)

This review includes:

- the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares, including issues from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period. The Company is subject to several externally–imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law. These requirements are unchanged since last year, and the Company has complied with them.

17. Transactions with the managers

On 27 May 2005, the Company appointed Witan Investment Services Limited as Executive Manager. Aberdeen Asset Managers Limited was appointed as portfolio manager on 31 May 2005. In April 2012, the Company appointed Matthews International Capital Management LLC. In September 2017, the Company appointed Robeco Institutional Asset Management B.V. and Dalton Investments LLC.

Each Management Agreement can be terminated at one month's notice in writing. The Executive Management Agreement can be terminated on six months' notice. Each portfolio manager is entitled to a base management fee, at rates between 0.20% and 0.85% per annum, calculated according to the value of the assets under their management. Witan Investment Services is entitled to an annual Executive Management Fee of 0.125% of NAV (subject to a minimum of £125,000 per year), payable quarterly.

During the year ended 31 January 2019, management fees paid, net of management fee rebates of £nil (2018: £107,000) amounted to £1,613,000 (2018: £1,480,000). At the year end, £450,000 (2018: £632,000) was due to the managers. In addition, annual marketing fees of £75,000 were also paid to the Executive Manager under the Executive Management Agreement.

Aberdeen is also entitled to a performance fee, further details of which are provided in note 11 of these financial statements.

TEN YEAR RECORD (UNAUDITED)

	Net assets £'000	NAV per share	Share price	Discount	Revenue earnings per share	Dividends per share	Ongoing charge[1] with performance fee	Ongoing charge[1] without performance fee
31 January 2010	131,966	199.0p	165.0p	17.1%	2.49p	2.10p	1.3%	0.8%
31 January 2011	164,282	248.0p	212.0p	14.5%	3.65p	2.80p	1.2%	0.7%
31 January 2012	156,052	235.6p	193.6p	17.8%	4.55p	4.00p	1.5%	0.8%
31 January 2013	173,634	262.9p	229.3p	12.8%	4.78p	4.30p	1.3%	1.0%
31 January 2014	159,746	241.9p	213.5p	11.7%	4.41p	4.45p	0.9%	1.0%
31 January 2015	184,280	279.5p	244.0p	12.7%	3.98p	4.55p	1.1%	1.1%
31 January 2016	170,388	259.3p	231.0p	10.9%	4.31p	4.65p	1.1%	1.1%
31 January 2017	217,035	333.9p	286.0p	14.3%	4.41p	4.75p	1.0%	1.0%
31 January 2018	244,455	386.6p	344.0p	11.0%	6.52p[2]	5.50p	1.0%	1.0%
31 January 2019	**219,929**	**352.5p**	**303.0p**	**14.1%**	**7.88p**	**7.00p**	**1.0%**	**1.0%**

1 Ongoing charge previously known as Total Expense Ratio for years 2010 to 2011.

2 Change of accounting policy to charge management fees 75%/25% to capital return and revenue return respectively. Previously, management fees were charged 100% to revenue.

GLOSSARY (UNAUDITED)

Alternative Performance Measures:

Net asset value per share: This is the value of total assets less all liabilities of the Company. The net asset value, or NAV, per Ordinary share is calculated by dividing this amount by the total number of Ordinary shares in issue (excluding those shares held in treasury).

Net asset value total return: Total return on net asset value ("NAV"), on a cum–income value to cum–income value basis, assuming that all dividends paid out by the Company were reinvested, without transactions costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex–dividend.

Total return calculation	Year ended 31 January 2019	Year ended 31 January 2018	
Opening cum–income NAV per share (p)	**386.58**	333.87	(a)
Closing cum–income NAV per share (p)	**352.54**	386.58	(b)
Total dividend adjustment factor[1]	**1.015617**	1.013245	(c)
Adjusted closing cum–income NAV per share (d = b x c)	**358.0**	391.7	(d)
Net asset value total return (e = d/a - 1)	**-7.4%**	17.3%	**(e)**

1 The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum–income NAV at the ex–dividend date.

Ongoing charge: The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue as a collective fund, excluding the costs of acquisition and disposal and gains or losses arising on investments. The calculation is performed in accordance with the guidelines issues by the AIC. Please refer to page 20 of this Annual Report.

Premium/discount: The amount by which the market price per share is either higher (premium) or lower (discount) than the net asset value per share expressed as a percentage of the net asset value per share.

Share price total return: Share price total return, on a last traded price to 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.

Total return calculation	Year ended 31 January 2019	Year ended 31 January 2018	
Opening share price (p)	**344**	286	(a)
Closing share price (p)	**303**	344	(b)
Total dividend adjustment factor[1]	**1.018366**	1.015243	(c)
Adjusted closing share price (d = b x c)	**308.6**	349.2	(d)
Share price total return (e = d/a - 1)	**-10.3%**	22.1%	**(e)**

1 The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex–dividend date.

INFORMATION FOR SHAREHOLDERS

Website

The Company's website is 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 and www.morningstar.co.uk.

Annual and Half Yearly Reports

Copies of the Annual and Half Year Report may be obtained from Witan Investment Services Limited by visiting www.witanpacific.com.

Share prices and net asset value information

The Company's Ordinary shares of 25p each are quoted on the London Stock Exchange:

SEDOL number:	0365602
ISIN number:	GB0003656021
TIDM code:	WPC

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

Share price listings

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

Electronic communications with the Company (E–communications)

Shareholders have the opportunity to be notified by email when the Witan Pacific Annual Report and Accounts, Half Year Reports and other formal communications are available on the Company's website instead of receiving printed copies by post. This reduces the costs to the Company as well as having an environmental benefit in the reduction of paper, printing, energy and water usage.

If you have not already elected to receive e–communications from the Company and now wish to do so, please contact:

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZY
www.computershare.com/investor/uk/ecomms
0370 707 1410

and should have to hand their Shareholder Reference Number shown on the Form of Proxy.

Online voting

Shareholders receiving a Form of Proxy will be able to cast their proxy votes online once they have registered with Computershare Investor Services, by entering the Control Number, their SRN and their PIN, following which other services in respect of their holding of the Company's shares will become available.

AIC

The Company is a member of the Association of Investment Companies www.theaic.co.uk

Financial calendar

Year end	31 January
Annual results	April
Half Year results	September
Annual General Meeting	June
Dividends paid	June & October

2019 final dividend timetable

The proposed final dividend for the year ended 31 January 2019 is 4.50p per share.

Ex–dividend date	16 May 2019
Record date	17 May 2019
Payment date	18 June 2019

Payment of the final dividend is subject to the approval of shareholders at the AGM on 12 June 2019.

Company registration

Registered in England and Wales. Company registration number 91798.

Enquiries

Company Secretary	WitanPacificInvestmentTrustplc@linkgroup.co.uk

Warning to shareholders – share fraud scams

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 are very persistent and persuasive and who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments.

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non–existent, or are offered an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Conduct Authority ("FCA") has found most share fraud victims are experienced investors who lose an average of £20,000, with around £200m lost in the UK each year.

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

1. Get the name of the person and organisation contacting you.
2. Check the Financial Services Register at https://register.fca.org.uk to ensure they are authorised.
3. Use the details on the Financial Services Register to contact the firm.
4. If there are no contact details on the Register or you are told they are out of date, call the FCA Consumer Helpline on 0800 111 6768.
5. Search the FCA list of unauthorised firms and individuals with whom you should avoid any business dealings.
6. Remember: If it sounds too good to be true, it probably is!

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme ("FSCS") if things go wrong.

Report a scam

If you are approached about a share scam you should tell the FCA using the share fraud reporting form at www.fca.org.uk/consumers/scams, where you can find out about the latest investment scams. You can also call the Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

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

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.

HOW TO INVEST

There are a variety of ways to invest in Witan Pacific, however, this will largely depend upon whether you would like financial advice or are happy to make your own investment decisions.

For those investors who would like advice:

Private client stockbrokers
Investors with a large lump sum to invest may want to contact a private client stockbroker. They will manage a portfolio of shares on behalf of a private investor and will offer a personalised service to meet an individual's particular needs. A list of private client stockbrokers is available from The Wealth Management Association ("WMA") at www.thewma.co.uk

Financial advisers
For investors looking to find a financial adviser, please visit www.unbiased.co.uk

Financial advisers who wish to purchase Witan Pacific for their clients can also do so via a growing number of platforms that offer investment trusts including Ascentric, Alliance Trust Savings, Nucleus, Raymond James, Seven IM and Transact.

For those investors who are happy to make their own investment decisions:

Online stockbroking services
There are a number of real–time execution only stockbroker services which allow private investors to trade online for themselves, manage a portfolio and buy UK–listed shares. Online stockbroking services that are already popular with Witan Pacific shareholders include Hargreaves Lansdown, Alliance Trust Savings, Halifax Share Dealing, Interactive Investor and Selftrade.

Computershare
The Company's registrar, Computershare Investor Services PLC, has introduced internet and telephone share dealing services. You will need to register at www.computershare.trade before you can start to trade. The telephone share dealing service is available on 0370 703 0084. To access the internet share dealing service log on to www.computershare.trade. To use these services, you will need your shareholder reference number, which is detailed on your certificate. Please see their website for details on charges for this service.

Witan Pacific Investment Trust plc is an equity investment. Investors are reminded that past performance is not a guide to future performance and 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. Please note that tax assumptions may change if the law changes, and the value of tax relief (if any) will depend upon your individual circumstances. Investors should consult their own tax advisers in order to understand any applicable tax consequences. Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited of 14 Queen Anne's Gate, London SW1H 9AA is registered in England number 5272533. Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Conduct Authority. We may record telephone calls for our mutual protection and to improve customer service.

NOTICE OF ANNUAL GENERAL MEETING

This Notice of Annual General Meeting is an important document. If shareholders are in any doubt as to what action to take, they should consult an appropriate independent adviser.

Notice is hereby given of the Annual General Meeting of Witan Pacific Investment Trust plc to be held at Chandos House, 2 Queen Anne Street, Marylebone, London W1G 9LQ on 12 June 2019 at 2.30pm for the following purposes:

To consider, and if thought fit, pass the following resolutions of the Company, resolutions 1 to 7 being ordinary resolutions and resolutions 8 to 10 being special resolutions.

ORDINARY BUSINESS

Ordinary Resolutions

1. To receive the Strategic Report, the Directors' Report and audited financial statements for the year ended 31 January 2019.
2. To declare a final dividend of 4.50p per Ordinary share.
3. To approve the Directors' Remuneration Report for the year ended 31 January 2019.
4. To re–elect Dermot McMeekin as a Director.
5. To appoint Ernst & Young LLP as Independent Auditors of the Company from the conclusion of this meeting until the conclusion of the next General Meeting at which the Financial Statements are laid before members.
6. To authorise the Audit Committee to determine the remuneration of Ernst & Young LLP as Independent Auditors of the Company.
7. THAT, in substitution for any existing authority, the Directors of the Company be and they are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights");
   (a) up to an aggregate nominal amount of £5,155,537 (being approximately one–third of the issued share capital (excluding treasury shares) as at 23 April 2019); and
   (b) comprising equity securities (within the meaning of Section 560 of the Act) up to a further nominal amount of £5,155,537 in connection with an offer by way of a rights issue:
      (i) to holders of Ordinary shares in proportion (as nearly as may be practicable) to their holdings: and
      (ii) to holders of other equity securities (if any) as required by the rights of those securities or as the Directors otherwise consider necessary,

   and so that Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts), provided that the authorities conferred on the Directors by paragraph (a) and (b) above shall, unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (which must be held no later than 31 July 2020), save that the Company may before such expiry make offers or arrangements which would or might require shares to be allotted or Rights to be granted after such expiry and so the Directors of the Company may allot shares or grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Special Resolutions

8. THAT, subject to the passing of Resolution 7 above (and in substitution for all subsisting authorities to the extent unused but without prejudice to the existence of such power prior to the date hereof), the Directors of the Company be and are hereby empowered pursuant to Section 570 and Section 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 7 or by way of a sale of treasury shares (within the meaning of Section 560(3) of the Act) as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
   (a) in connection with an offer of equity securities (but in the case of the authority granted under paragraph (b) of Resolution 7, by way of a rights issue only):

NOTICE OF ANNUAL GENERAL MEETING continued

(i) to holders of Ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities (if any) as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including and such problems arising by virtue of equity securities being represented by depositary receipts); and

(b) otherwise than pursuant to sub–paragraph (a) above, up to an aggregate nominal amount of £1,546,661 (being approximately 10% of the issued share capital (excluding treasury shares) as at 23 April 2019),

and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (which must be held no later than 31 July 2020), save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

9. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") either for cancellation or to hold as treasury shares (within the meaning of Section 724 of the Act) provided that:

(a) the maximum aggregate number hereby authorised to be purchased is 9,273,780 Ordinary shares, or if less, 14.99% of the number of Ordinary shares in issue (excluding treasury shares) immediately following the passing of this resolution;

(b) the Directors be authorised to determine at their discretion that any Ordinary shares purchased be cancelled or held by the Company as treasury shares, save that the maximum number of Ordinary shares held in treasury shall not exceed 10% of the issued Ordinary share capital of the Company at any time;

(c) the minimum price which may be paid for a share shall be 25 pence (exclusive of associated expenses);

(d) the maximum price which may be paid for an Ordinary share is an amount equal to the higher of (i) 105% of the average of the middle market quotations of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the date on which the relevant share is contracted to be purchased (exclusive of associated expenses); and (ii) the amount stipulated by Article 5(6) of the Market Abuse Regulation (being a price higher than the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out); and

(e) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on the date of the next Annual General Meeting to be held in 2020, or 15 months after the passing of this resolution, if earlier, save that the Company may prior to such expiry enter into a contract or arrangement to purchase Ordinary shares under this authority which will or may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary shares pursuant to any such contract or arrangement as if the authority hereby conferred had not expired.

10. THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice.

By order of the Board

Link Company Matters Limited
Corporate Company Secretary
25 April 2019

Registered office:
Beaufort House, 51 New North Road, Exeter EX4 4EP

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you require additional forms, please contact the Registrar's helpline on 0370 707 1410.

   Where two or more valid appointments of proxy are received in respect of the same share in relation to the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of such appointments shall be treated as valid in respect of that share.

2. To be valid, any proxy form or other instrument appointing a proxy, must be received by post or (during normal business hours only) by hand at the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by 2.30pm on 10 June 2019. Members may also submit their proxy vote electronically via the Registrars' website at www.eproxyappointment.com

3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 10 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so. The termination of the authority of a person to act as proxy must be notified to the Company in writing.

5. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, has a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

7. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00pm on 10 June 2019 (or, in the event of any adjournment, 6.00pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

8. At 23 April 2019 the Company's issued share capital consists of 65,944,000 Ordinary shares, of which 4,077,555 shares are held in treasury. Each Ordinary share carries one vote. Therefore, the number of voting rights in the Company at 23 April 2019 total 61,866,445 votes.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) at least 48 hours before the time of the meeting. For this purpose, the time of receipt will be

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING continued

taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. To be able to attend and vote at the meeting, corporate representatives will be required to produce, prior to their entry to the meeting, evidence satisfactory to the Company of their appointment.

14. Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006.

    The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

15. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

    However, if the Chair has declined to provide an answer for one of the above reasons, the Company will where practicable endeavour to provide an answer after the meeting.

16. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the Meeting as their proxy will need to ensure that both they, and their proxy, comply with their respective obligations under the Disclosure Guidance and Transparency Rules.

17. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.witanpacific.com

18. If a shareholder receiving this notice has sold or transferred all shares in the Company, this notice and any other relevant documents (e.g. form of proxy) should be passed to the person through whom the sale or transfer was effected, for transmission to the purchaser.

19. None of the Directors has a contract of service. Copies of the letters of appointment of the Directors will be available for inspection at the registered office of the Company during normal business hours on every week day (except weekends and public holidays) until the date of the meeting and at the meeting venue for a period of 15 minutes prior to and during the meeting.

EXPLANATION OF NOTICE OF ANNUAL GENERAL MEETING

Resolution 1: Financial statements
The Directors present the Strategic Report, Directors' Report and audited financial statements.

Resolution 2: Dividend
The Directors recommend the payment of a final dividend of 4.50p per share, payable on 18 June 2019 to shareholders on the register on 17 May 2019.

Resolution 3: Directors' remuneration
The Directors' Remuneration Report is set out on pages 44 to 47 of the Annual Report. The vote to approve the remuneration report is advisory only and will not require the Company to alter any arrangements detailed in the report should the resolution not be passed.

Resolution 4: Re–election of Directors
Mr Dermot McMeekin will retire by rotation at the AGM and, being eligible, is standing for re–election. A formal performance evaluation has been completed and, on the recommendation of the Nomination and Remuneration Committee, the Board has determined that he is independent and continues to be effective and to demonstrate commitment to his role.

Resolutions 5 and 6: Auditors
Resolutions 5 and 6 deal with the appointment of Ernst & Young LLP as Independent Auditors and authorisation for the Audit Committee to determine their remuneration. A tender for the appointment of the Independent Auditors was carried out during the year, and details of the tender process are set out on page 39.

Resolution 7: Allotment of share capital
The Board considers it appropriate that an authority be granted to allot shares in the capital of the Company up to a maximum nominal amount of £10,311,074 (being approximately two–thirds of the Company's current issued share capital excluding shares held in treasury). One–third would be issued in accordance with statutory pre–emption rights. The additional one–third would only be used for the purposes of a rights issue in which the new shares would be offered to shareholders in proportion to their then shareholdings.

The Directors have no present intention of exercising this authority and would only expect to use the authority if shares could be issued at, or at a premium to, the net asset value per share.

Details of the Company's share capital and the number of shares held in treasury may be found on page 25.

This authority will expire at the earlier of the conclusion of the Annual General Meeting of the Company in 2020.

Resolution 8: Disapplication of statutory pre–emption rights
This resolution would give the Directors the authority to allot shares (or sell any shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

The authority would be limited to allotments or sales in connection with pre–emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £1,546,661 (being approximately 10% of the Company's current issued share capital excluding shares held in treasury). Shares would only be issued at a price at or above the prevailing net asset value per share.

Details of the Company's share capital and the number of shares held in treasury may be found on page 25.

The authority will expire at the earlier of the conclusion of the Annual General Meeting of the Company in 2020.

Resolution 9: Authority to make market purchases of the Company's Ordinary shares
At the AGM held on 13 June 2018, a special resolution was proposed and passed, giving the Directors authority, until the conclusion of the 2019 AGM, to make market purchases of the Company's own issued shares up to a maximum of 14.99% of the issued share capital. Between 13 June 2018 and 23 April 2019, the Company had repurchased 1,293,817 Ordinary shares, being 2.0% of the issued share capital.

EXPLANATION OF NOTICE OF ANNUAL GENERAL MEETING continued

The Board is proposing that it should be given renewed authority to purchase Ordinary shares in the market. The Board believes that making such purchases in the market at appropriate times and prices is a suitable method of enhancing shareholder value. The Company would, within guidelines set from time to time by the Board, make either a single purchase or a series of purchases, when market conditions are suitable, with the aim of maximising the benefits to shareholders. The Board intends to hold any shares purchased in treasury for cancellation at the discretion of the Board.

Where purchases are made at prices below the prevailing net asset value per share, this will enhance the net asset value for the remaining shareholders. It is therefore intended that purchases would only be made at prices below net asset value. The Board considers that it will be most advantageous to shareholders for the Company to be able to make such purchases as and when it considers the timing to be favourable and therefore does not propose to set a timetable for making any such purchases.

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Regulations") enable companies in the United Kingdom to hold in treasury any of their own shares they have purchased with a view to possible resale at a future date, rather than cancelling them.

The Listing Rules of the UK Listing Authority limit the maximum price (exclusive of expenses) which may be paid for any such share. It shall not be more than the higher of:

(i) 105% of the average of the middle market quotations for an Ordinary share as taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Company agrees to buy shares concerned; and

(ii) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary share in the Company on the trading venue where the purchase is carried out.

The minimum price to be paid will be 25p per Ordinary share (being the nominal value). The Listing Rules also limit a listed company to purchases of shares representing up to 15% of its issued share capital in the market pursuant to a general authority such as this. For this reason, the Company is limiting its authority to make such purchases to 9,273,780 Ordinary shares or, if less, 14.99% of the number of Ordinary shares in issue at the date of the AGM. The authority will last until the AGM of the Company to be held in 2020 or 15 months after the passing of this resolution.

Resolution 10: General meeting notice

This resolution will renew the approval to convene general meetings of the Company, other than annual general meetings, on a minimum of 14 clear days' notice. The notice period for annual general meetings will remain at 21 clear days. The approval will be effective until the Company's next annual general meeting, when it is intended that renewal will be sought. The Directors will only call general meetings on 14 clear days' notice when they consider it in the best interests of shareholders to do so and where the relevant matters need to be dealt with expediently.

Recommendation

The Directors consider each resolution being proposed at the Annual General Meeting to be in the best interests of shareholders as a whole and they unanimously recommend that all shareholders vote in favour of each of them, as they intend to do so in respect of their own shareholdings.

DIRECTORS AND ADVISERS

Directors

Susan Platts-Martin
Chair

Dermot McMeekin
Senior Independent Director
Nomination and Remuneration Committee Chairman

Chris Ralph
Independent Director

Andrew Robson
Audit Committee Chairman

Diane Seymour-Williams
Independent Director

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

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Calls from landlines are typically charged up to 9p per minute; calls from mobiles typically cost between 3p and 40p per minute.

Email: web.queries@computershare.co.uk

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* As at the date of this report.

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