
HALF YEAR REPORT 2019

Witan Pacific Investment Trust plc



Witan Pacific investment trust

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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

Key data

	31 July 2019	31 January 2019	% change
NAV per share ^{1,2}	380.86p	352.54p	↑ 8.0%
Share price ³	340.00p	303.00p	↑ 12.2%
Discount ¹	10.7%	14.1%	

Total return

	6 months	1 year	3 years	5 years
NAV per share ^{1,2}	9.4%	2.1%	26.7%	57.7%
Share price ^{1,3}	13.8%	6.4%	31.6%	61.7%
Benchmark ⁴	10.5%	4.6%	36.7%	68.1%

Income

	31 July 2019	31 July 2018	% change
Revenue per share	4.21p	4.71p	↓ 10.6%
Interim dividend per share	2.55p	2.50p	↑ 2.0%

Ongoing charges¹ (6 months)

	31 July 2019	31 July 2018
Excluding performance fees	0.54%	0.54%
Including performance fees	0.57%	0.54%

1 The financial statements (on pages 12 to 21) 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. Definitions of the terms used are set out on pages 29 and 30.

2 Source: Morningstar/Witan Investment Services.

3 Source: Morningstar.

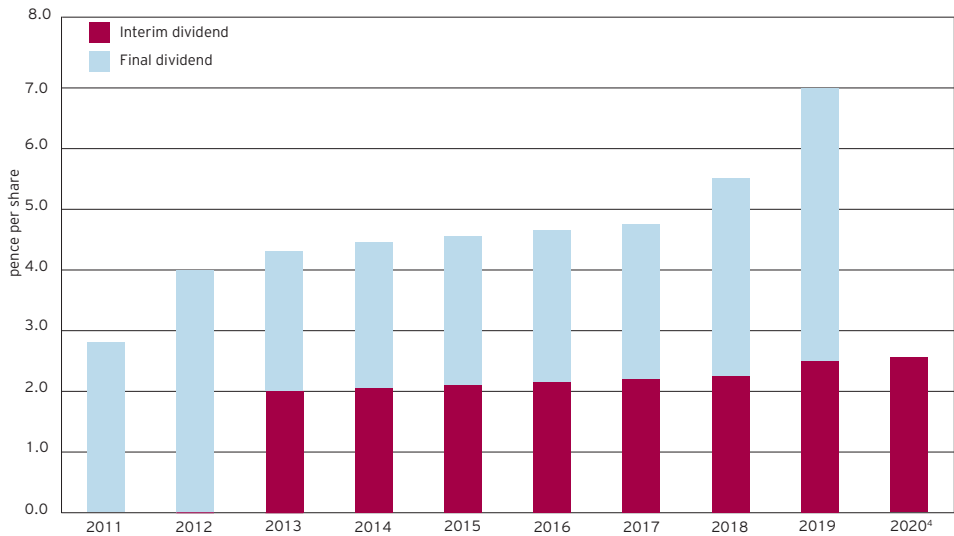
4 Source: Morningstar. The benchmark for Witan Pacific Investment Trust plc is the MSCI AC Asia Pacific Free Index Sterling.

LONG-TERM PERFORMANCE ANALYSIS

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

	Cumulative return	Annualised return
NAV per share ¹	250.4%	9.3%
Share price ²	260.3%	9.5%
Benchmark ³	248.8%	9.2%

10-year dividend record



1 Source: Morningstar/Witan Investment Services. Alternative Performance Measure (see pages 29 and 30).

2 Source: Morningstar. Alternative Performance Measure (see pages 29 and 30).

3 Source: Morningstar.

4 Interim dividend only.

CHAIR'S STATEMENT

Performance

Witan Pacific's NAV total return per share rose by 9.4% and the share price total return rose by 13.8% over the six months ended 31 July 2019, compared with the benchmark total return of 10.5%. The overall returns experienced by our shareholders were augmented by further Sterling weakness. In US Dollar terms, for example, our benchmark rose just 2.9%. Although absolute performance was strongly positive during the period, the continued NAV underperformance against the benchmark, while marginal, is clearly disappointing, especially in light of the specific performance objective announced in the Corporate Update on 11 February 2019 (see fuller commentary on the Corporate Update in the 'Discount, share repurchases and future developments' section below).

Market background

After the falls in late 2018, global equities

generally recovered strongly in the period under review. US stocks led the way and rose to a record high as the Federal Reserve effectively ruled out interest rate hikes in 2019. Global growth expectations, which had declined over the course of 2018, have stabilised this year, albeit at generally lower levels. This led to growing expectations of a US interest rate cut, which materialised in late July. This more accommodative stance was mirrored by several Asian central banks (including India, South Korea, Indonesia, Malaysia, Philippines, Australia and New Zealand) to counteract signs of slowing economic activity.

Trade tensions between China and the US continued to dominate newsflow during the period. Markets in Asia remain highly sensitive to any change in stance. The rally in equity markets to the end of July more than recouped the 5.4% decline our benchmark experienced in our last financial year.

The major country components of our benchmark posted positive returns over the period, with the exception of Korea. As is often the case, there was significant country divergence in the region, with Korea the regional laggard falling by 4.9% and Taiwan (the strongest performer) rising by 20.7% and setting a new high in the process. The Korean economy, which is seen as being particularly sensitive to global trade concerns, slowed markedly and the Korean Won depreciated accordingly relative to the US Dollar. Taiwan, which has over 50% of its stock market capitalisation in technology companies, was boosted by strong demand



HIGHLIGHTS

- NAV total return of 9.4%, compared with benchmark 10.5%
- Share price total return of 13.8%
- Revenue per share 4.2p compared with 4.7p over the same period last year
- Interim dividend increased by 2.0% to 2.55p

for smartphone semiconductors driven by speedier 5G adoption. A notable performer was Taiwan Semiconductor Manufacturing Corporation, which is owned by three of our four managers and is the Company's largest holding.

The other two strong markets were Australia and the China A Share market. Australia benefited from an election result perceived positively by the market, lower interest rates (the first rate cut since 2016) and strong performance in the mining and financial sectors, which together make up approximately 50% of its stock market.

In China, mainland stock prices recovered following the sell-off they suffered in the latter half of 2018 as Chinese authorities unveiled various stimulus measures to spur domestic demand and to fast-track certain infrastructure projects.

Our managers all have the opportunity to invest in the China A Share market and collectively have 8% invested in this market, either directly or via shares which are dual-listed in Hong Kong. The Company's total Chinese exposure, including all Chinese companies wherever they are listed, is now 32% and is therefore the largest geographic weighting in the portfolio. This represents an overweight position versus China's 25% benchmark weight.

Indian shares, which rose 15%, recovered from a particularly turbulent period in the autumn of 2018 when the market was impacted by a default in the shadow banking sector. The market reacted positively to Narendra Modi's BJP Party general election

win in May, further increasing its substantial majority. However, the post-election rally was short-lived, as valuations became stretched and trade tensions resurfaced.

As Japan's economy continues to grow at one of the slowest rates in the developed world, let alone relative to its Asian peers, it remains one of the cheapest markets globally, despite being home to a significant number of world-class global businesses. Amongst these, our managers have identified a number of attractive opportunities. Most are international businesses so have not been immune to the uncertainties surrounding global trade of the last few months which is reflected in disappointing performance for many of our Japanese holdings. The broader Japanese market gained 9.5% and therefore marginally underperformed the rest of the region over the period.

With Brexit remaining unresolved and the route to a successful outcome becoming ever more convoluted, it is hardly surprising that Asian currencies performed very strongly relative to the beleaguered Pound. Indeed, even the Korean Won, which declined by 6% versus the US Dollar over the six months, appreciated versus Sterling. The major ASEAN currencies (Philippines, Indonesia, Thailand and Malaysia) appreciated between 7% and 10% while the Japanese Yen and Indian Rupee also made significant gains of 8% and 11% respectively.

Portfolio managers

Aberdeen was the strongest of our four portfolio managers over the period, returning

CHAIR'S STATEMENT continued

15.3% on a total return basis aided by stock selection successes in China and Japan. Their bottom-up approach, with an emphasis on quality companies with strong franchises and balance sheets and healthy cash flows, has found favour in these market conditions. By contrast, Matthews' Chinese and Japanese stocks detracted from their performance, causing them to lag the benchmark with a total return of 9.0%. Dalton performed broadly in line with the benchmark, returning 11.1% with some notable successes in India, Taiwan, China and Singapore. Robeco underperformed the benchmark, with a total return of 6.1% with ongoing negative sentiment towards the more cyclical 'value' stocks they hold in their portfolio.

The combined portfolio produced a return of 10.0%, which represents a marginal underperformance of 0.5% when compared to the benchmark. The key factors influencing this underperformance were an underweight to the strongly performing Australian financials sector and an overweight in Korea. Stock selection was generally positive across the portfolio, but not significant enough to make up for the negative influence from the resulting geographic exposure. Adding around 0.5% of costs to the portfolio's 0.5% underperformance results in the NAV total return being 1.1% behind the benchmark.

Portfolio review

Details of the portfolio's key country and sector allocations, as well as the top twenty investments by size, follow this statement. The portfolio is the result of the stocks selected by our four portfolio managers and

at the end of the period was overweight China (including Hong Kong), Singapore and South Korea and underweight Japan, Australia and Taiwan. There were no significant changes in country or sector exposure in the portfolio in the last six months.

The portfolio retains an overweight (+4%) position in the Consumer Staples sector, which proved to be a small drag on performance over the period. At the same time, the underweight position in Financials (especially in Australia), Communication Services and Industrials also proved to be a short-term headwind.

Outlook

The Asia Pacific region includes many of the world's most dynamic economies. Their increasingly affluent and better-educated populations are likely to fuel demand across various sectors providing good stock picking opportunities for our managers. In the short term, sentiment in the region will continue to be dominated by US/China tensions and affected by the protests in Hong Kong. Currency volatility (especially versus Sterling) is likely to be a factor which impacts short-term returns, especially as the next Brexit deadline approaches. The prospects for the rest of this year will depend on whether easier monetary policy sits alongside economic stability, allowing good quality companies to benefit from a benign environment and grow earnings as they have done in recent years. The question of whether cyclical 'value' stocks will at last start to outperform defensive or higher growth stocks is moot. This largely depends

on whether investors continue to value the perception of dependability (at a high price) over the possibility of higher returns offered by some increasingly undervalued opportunities. Whilst our portfolio should benefit from a less polarised investment climate, we are certainly not dependent on it. Our managers build portfolios from the bottom up and the result tends to be a portfolio which is well balanced with a broad range of investments, irrespective of their corresponding weights in the benchmark we aim to outperform.

Discount, share repurchases and future developments

In February 2019, the Board announced that “if the Company does not deliver NAV total return outperformance of its benchmark over the period from the last financial year end to 31 January 2021, the Board will put forward proposals which would include a full cash exit at close to NAV for all shareholders as soon as reasonably practicable after 31 January 2021”. This announcement does not affect how our managers invest on our behalf and the Board continues to have faith in their individual and collective ability to add value for our shareholders. We are, however, now eight months (as of 30 September 2019) into that two-year measurement period and the NAV total return is 7.4% versus a benchmark total return of 9.3%.

The share price discount to NAV narrowed from 14.1% at the start of the period to 10.7% at the period end. We continue to buy back shares when the discount at which they stand is at an anomalous and substantial

level. During the period, the Company purchased 683,481 shares at an average discount of 10.9% (net of costs), which has added approximately £270,000 of value (0.44p per share) for shareholders.

Dividend

The Board aims to increase the annual dividend per share in real terms over the long term. I am pleased to report that annual dividends have increased consistently for over 14 years at an annualised rate in excess of 14.5%. The Company has taken advantage of one of the benefits of the investment trust structure and has a healthy revenue reserve amounting to 21p per share which is available to supplement dividends to shareholders in leaner years. Revenue earnings per share of 4.2p were 10% lower than the same (exceptionally strong) period last year. Lower dividend receipts were the result of portfolio changes which involved the sale of a small number of high yield stocks. The Board proposes to pay an interim dividend of 2.55p per share. This represents an increase of 2.0% over the interim dividend paid last year.

Susan Platts–Martin

Chair
2 October 2019

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PORTFOLIO INFORMATION

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

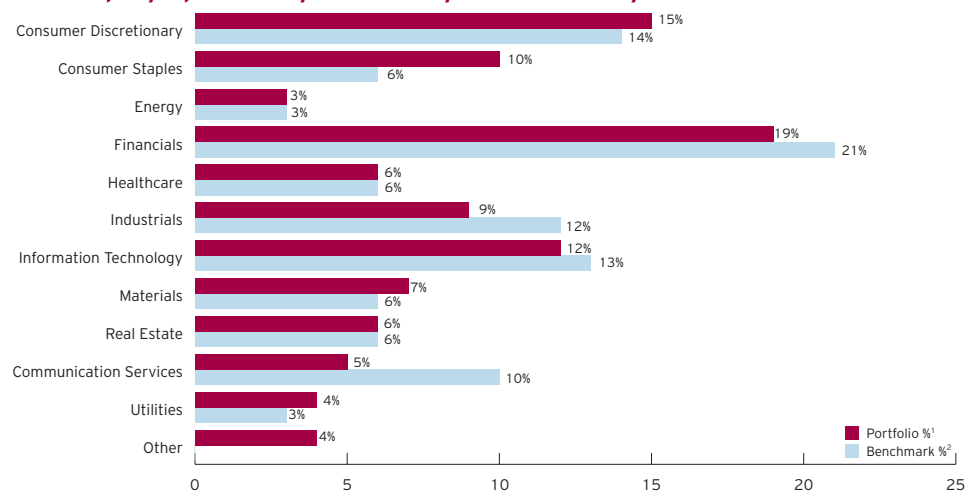
	Appointment date	Managed assets ¹		Performance		Annualised performance ²	
		£m	%	Manager %	Benchmark %	Manager %	Benchmark %
Matthews	30 April 2012	95.0	40.7	+9.0	+10.5	+11.8	+10.4
Aberdeen	31 May 2005	59.7	25.5	+15.3	+10.5	+11.1	+9.2
Robeco	28 Sept 2017	57.0	24.4	+6.1	+10.5	+4.0	+7.2
Dalton	28 Sept 2017	21.9	9.4	+11.1	+10.5	+0.1	+7.2

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

1 Excluding cash balances held centrally by the Company.

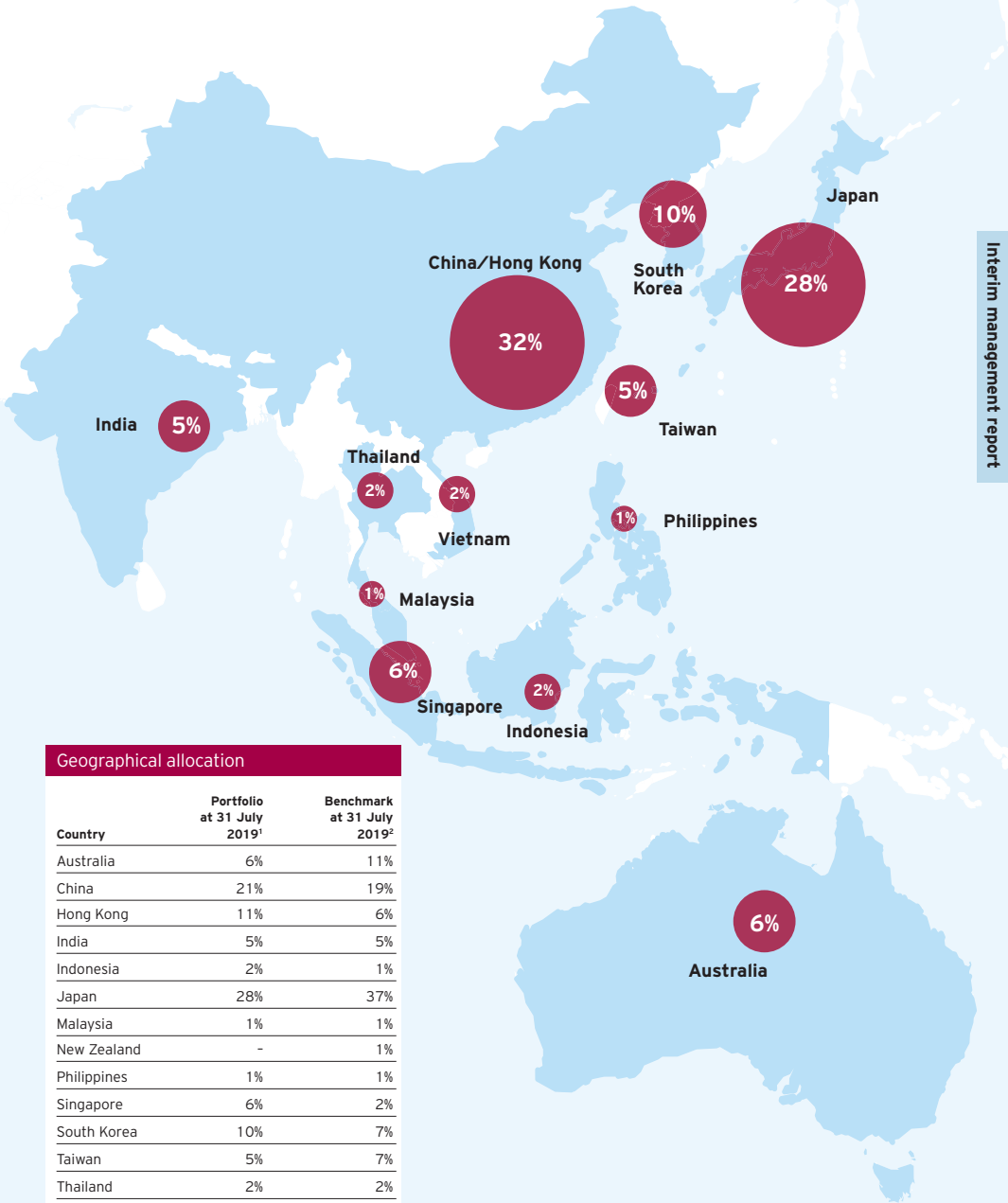
2 Since appointment.

The Company's portfolio by sector analysis as at 31 July 2019



1 Source: BNP Paribas.

2 Source: MSCI.



Geographical allocation

Country	Portfolio at 31 July 2019 ¹	Benchmark at 31 July 2019 ²
Australia	6%	11%
China	21%	19%
Hong Kong	11%	6%
India	5%	5%
Indonesia	2%	1%
Japan	28%	37%
Malaysia	1%	1%
New Zealand	-	1%
Philippines	1%	1%
Singapore	6%	2%
South Korea	10%	7%
Taiwan	5%	7%
Thailand	2%	2%
Vietnam	2%	-
	100%	100%

1 Source: BNP Paribas - Portfolio represents investments excluding cash.

2 Source: MSCI.

TOP TWENTY INVESTMENTS

as at 31 July 2019

Rank	Company	Country	% of total investments	Value £'000
1	Taiwan Semiconductor Manufacturing	Taiwan	2.7	6,165
2	Samsung Electronics	South Korea	2.3	5,219
3	Aberdeen Standard Indian Equity Fund	India	2.2	5,034
4	AIA Group	Hong Kong	1.6	3,698
5	Aberdeen Standard China A Share Equity Fund	China	1.6	3,677
6	Ping An Insurance	China	1.6	3,592
7	China Construction Bank	China	1.5	3,452
8	Shenzhou International	China	1.5	3,318
9	China Mobile	Hong Kong	1.5	3,275
10	Hyundai Mobis	South Korea	1.4	3,182
11	Mintz Group	China	1.4	3,043
12	China Petroleum (Sinopec)	China	1.2	2,704
13	Hoya Corporation	Japan	1.2	2,630
14	BHP Group	Australia	1.1	2,557
15	United Overseas Bank	Singapore	1.1	2,468
16	Anritsu Corporation	Japan	1.1	2,457
17	LG Chemical	South Korea	1.1	2,413
18	BGF Retail	South Korea	1.0	2,294
19	Tencent Holdings	China	1.0	2,232
20	Shin-Etsu Chemical	Japan	1.0	2,164
Total			29.1	65,574

The value of the twenty largest holdings represents 29.1% (31 January 2019: 28.5%) 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.

REGULATORY DISCLOSURES

Related party transactions disclosures

During the period to 31 July 2019, related party transactions included dividends paid to Directors in respect of their shareholdings in the Company. Details of Directors' shareholdings and remuneration may be found in the Directors' Remuneration Report on pages 44 to 47 of the Company's Annual Report for the year ended 31 January 2019. The report is available on the Company's website at www.witanpacific.com.

There have been no other related party transactions.

Principal risks and uncertainties

The Directors have considered the principal risks and uncertainties affecting the Company's position. The principal risks faced by the Company for the remaining six months of the financial year include financial risks relating to markets, liquidity and credit. Market risk includes market price risk, currency risk and interest rate risk. Other risk categories include those relating to business strategy, market conditions, investment performance, reduction in income, operational failures and tax and regulatory changes or breaches. These risks and the way in which they are managed are described in more detail in the Annual Report for the year ended 31 January 2019 in the corporate review and in the notes to the financial statements.

The risks faced by the Company have not changed significantly over the six months to 31 July 2019 and are not expected to change materially in the next six months. The report is available on the Company's website at www.witanpacific.com.

Going concern

The financial statements continue to be prepared on a going concern basis. The approach used for the Annual Report is applied, including proper consideration of financial and cash flow forecasts, and it is believed that the Company has adequate financial resources to continue to operate for the foreseeable future.

CONDENSED INCOME STATEMENT

for the half year ended 31 July 2019

		(Unaudited) Half year ended 31 July 2019			(Unaudited) Half year ended 31 July 2018			(Audited) Year ended 31 January 2019		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss		-	18,330	18,330	-	(3,997)	(3,997)	-	(21,782)	(21,782)
Exchange losses		-	(66)	(66)	-	(33)	(33)	-	(123)	(123)
Investment income	2	3,544	-	3,544	3,928	-	3,928	6,577	-	6,577
Management fees	3	(197)	(593)	(790)	(209)	(628)	(837)	(403)	(1,210)	(1,613)
Performance fees	3	-	(72)	(72)	-	-	-	-	-	-
Other expenses		(473)	(32)	(505)	(437)	(23)	(460)	(796)	(54)	(850)
Net return/(loss) before taxation		2,874	17,567	20,441	3,282	(4,681)	(1,399)	5,378	(23,169)	(17,791)
Taxation		(267)	(107)	(374)	(307)	-	(307)	(424)	-	(424)
Net return/(loss) after taxation		2,607	17,460	20,067	2,975	(4,681)	(1,706)	4,954	(23,169)	(18,215)
Return/(loss) per Ordinary share – pence	5	4.21	28.19	32.40	4.71	(7.41)	(2.70)	7.88	(36.84)	(28.96)

All revenue and capital items in the above statement derive from continuing operations. The total columns of this statement represent the Income Statement of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The Company had no other comprehensive income, recognised gains or losses other than those disclosed in this statement.

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 July 2019

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Half year ended 31 July 2019 (unaudited)						
At 1 February 2019	16,486	5	41,085	149,221	13,132	219,929
Net return after taxation and total comprehensive income	-	-	-	17,460	2,607	20,067
Purchase of own shares	-	-	-	(2,220)	-	(2,220)
Dividends paid	-	-	-	-	(2,784)	(2,784)
At 31 July 2019	16,486	5	41,085	164,461	12,955	234,992
Half year ended 31 July 2018 (unaudited)						
At 1 February 2018	16,486	5	41,085	175,084	11,795	244,455
Net (loss)/return after taxation and total comprehensive income	-	-	-	(4,681)	2,975	(1,706)
Purchase of own shares	-	-	-	(738)	-	(738)
Dividends paid	-	-	-	-	(2,054)	(2,054)
At 31 July 2018	16,486	5	41,085	169,665	12,716	239,957
Year ended 31 January 2019 (audited)						
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	-	-	-	(2,694)	-	(2,694)
Dividends paid	-	-	-	-	(3,617)	(3,617)
At 31 January 2019	16,486	5	41,085	149,221	13,132	219,929

CONDENSED BALANCE SHEET

as at 31 July 2019

	Note	(Unaudited) 31 July 2019 £'000	(Unaudited) 31 July 2018 £'000	(Audited) 31 January 2019 £'000
Fixed assets				
Investments held at fair value through profit or loss		224,949	233,671	215,797
Current assets				
Debtors		1,223	1,598	1,424
Cash at bank and in hand		10,059	6,735	4,310
		11,282	8,333	5,734
Creditors				
Performance fee		(15)	-	-
Amounts falling due within one year		(1,167)	(2,047)	(1,602)
		(1,182)	(2,047)	(1,602)
Net current assets		10,100	6,286	4,132
Total assets less current liabilities		235,049	239,957	219,929
Provision for liabilities and charges	6	(57)	-	-
Net assets		234,992	239,957	219,929
Capital and reserves				
Called up share capital	7	16,486	16,486	16,486
Share premium account		5	5	5
Capital redemption reserve		41,085	41,085	41,085
Capital reserves		164,461	169,665	149,221
Revenue reserve		12,955	12,716	13,132
Total shareholders' funds		234,992	239,957	219,929
Net asset value per Ordinary share - pence	8	380.86	380.82	352.54

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 July 2019

1 Accounting policies

(a) Basis of preparation

The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) 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 interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

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 done 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. Investments included in Level 2 in the Fair Value Hierarchy disclosures in note 9 consist of unlisted reportable funds within the portfolio, Aberdeen Standard Indian Equity Fund and Aberdeen Standard China A Share Equity Fund. 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.

NOTES TO THE FINANCIAL STATEMENTS continued

2 Investment income

	(Unaudited) Half year ended 31 July 2019 £'000	(Unaudited) Half year ended 31 July 2018 £'000	(Audited) Year ended 31 January 2019 £'000
Income from investments held at fair value through profit or loss:			
Overseas dividends	3,434	3,717	6,235
UK dividends	83	202	311
Scrip dividends	26	9	27
Other income	1	–	4
Total income	3,544	3,928	6,577

3 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. 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 AC Asia Pacific Free 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 for the half year ended 31 July 2019 are calculated on the actual performance of the portfolio manager relative to the benchmark index. The provision assumes that both the benchmark index remains unchanged and that the portfolio managers' assets under management perform in line with the benchmark index to 31 May 2020, being the date the next performance period ends.

In addition, provisions are made where necessary for the performance periods ending 31 May 2021 and 31 May 2022, on the assumption that the portfolio manager performs in line with the benchmark to each period end. The total of these provisions amounts to £57,000 (31 July 2018: £nil and 31 January 2019: £nil).

3 Transactions with the managers (continued)

	(Unaudited) Half year ended 31 July 2019 £'000	(Unaudited) Half year ended 31 July 2018 £'000	(Audited) Year ended 31 January 2019 £'000
Charged to revenue return:			
Management fee ¹	197	209	403
Charged to capital return:			
Management fee ¹	593	628	1,210
Total management fees	790	837	1,613
Performance fees charged to capital return	72	–	–

¹ The management fees stated above include fees paid to Witan Investment Services Limited of £130,000 (six months to 31 July 2018: £150,000 and full year to 31 January 2019: £290,000).

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

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 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. Performance fees, when payable, will be charged wholly to the capital account.

4 Dividends

An interim dividend of 2.55p per Ordinary share (2018: 2.50p) will be paid on 28 October 2019 to shareholders on the register on 18 October 2019.

NOTES TO THE FINANCIAL STATEMENTS continued

5 Return per Ordinary share

The total return per Ordinary share is based on the net gain attributable to the Ordinary shares of £20,067,000 (half year ended 31 July 2018: loss of £1,706,000; year ended 31 January 2019: loss of 18,215,000) and on 61,928,245 Ordinary shares (half year ended 31 July 2018: 63,175,471; year ended 31 January 2019: 62,888,550), being the weighted average number of shares in issue during the period.

The total return can be analysed as follows:

	(Unaudited) Half year ended 31 July 2019 £'000	(Unaudited) Half year ended 31 July 2018 £'000	(Audited) Year ended 31 January 2019 £'000
Revenue return	2,607	2,975	4,954
Capital return/(loss)	17,460	(4,681)	(23,169)
Total return/(loss)	20,067	(1,706)	(18,215)
Weighted average number of Ordinary shares in issue during the period	61,928,245	63,175,471	62,888,550
Revenue return per Ordinary share – pence	4.21	4.71	7.88
Capital return/(loss) per Ordinary share – pence	28.19	(7.41)	(36.84)
Total return/(loss) per Ordinary share – pence	32.40	(2.70)	(28.96)

The Company does not have any dilutive securities.

6 Provisions for liabilities and charges

This represents the estimated performance fees payable for the three-year performance fee periods ending 31 May 2020, 31 May 2021 and 31 May 2022. This accrual is based on actual performance to 31 July 2019 and the assumption that the portfolio manager performs in line with the benchmark from 31 July 2019 to the end of each fee period. Changes in the level of accrual for future performance periods could arise for one of 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 portfolio manager's contract.

7 Share capital

During the half year ended 31 July 2019, 683,481 Ordinary shares were repurchased and held in treasury, at a total cost of £2,220,000 (half year ended 31 July 2018: 224,884 Ordinary shares were repurchased and held in treasury at a total cost of £738,000; year ended 31 January 2019: 852,346 Ordinary shares were purchased and held in treasury at a total cost of £2,694,000).

As at 31 July 2019, there were 65,944,000 Ordinary shares of 25p in issue, of which 4,244,077 were held in treasury. Subsequent to 31 July 2019, a further 133,919 Ordinary shares were repurchased and held in treasury, at a total cost of £447,000. As at 30 September 2019, there were 65,944,000 Ordinary shares of 25p in issue, of which 4,377,996 were held in treasury.

8 Net asset value per Ordinary share

Net asset values are based on net assets of £234,992,000 (31 July 2018: £239,957,000 and 31 January 2019: £219,929,000) and on 61,699,923 Ordinary shares in issue as at 31 July 2019 excluding shares held in treasury (31 July 2018: 63,010,866 and 31 January 2019: 62,383,404).

NOTES TO THE FINANCIAL STATEMENTS continued

9 Fair value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs 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:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets and financial liabilities at fair value through profit or loss				
As at 31 July 2019				
Equity investments	216,238	8,711	–	224,949
Total	216,238	8,711	–	224,949
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets and financial liabilities at fair value through profit or loss				
As at 31 January 2019				
Equity investments	208,530	7,267	–	215,797
Total	208,530	7,267	–	215,797

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

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

9 Fair value hierarchy (continued)

(a) Quoted equities and preference shares

The fair value of the Company's investments in quoted equities and preference shares has been determined by reference to their quoted bid prices at the reporting date. Quoted equities and preference shares included in Level 1 are actively traded on recognised stock exchanges.

Investments classified as Level 2 are Aberdeen Standard Indian Equity Fund and Aberdeen Standard China A Equity Fund (31 January 2019: same).

10 Results

The results for the half years ended 31 July 2019 and 31 July 2018, which are unaudited and were not reviewed by the Auditors, constitute non-statutory accounts within the meaning of Section 435 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 31 January 2019; the report of the Auditors thereon was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The comparative figures for the year ended 31 January 2019 have been extracted from those accounts.

RESPONSIBILITY STATEMENT OF THE DIRECTORS

in respect of the Half Year Report for the six months ended 31 July 2019

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the interim management report (which comprises the financial summary, the long-term performance analysis, the Chair's statement, portfolio information and regulatory disclosures) includes a fair review of the information required by Rules 4.2.7 R and 4.2.8 R of the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority.

The names and functions of the Directors of Witan Pacific Investment Trust plc are as listed on page 31 of this report.

This Half Year Report was approved by the Board on 2 October 2019 and the above responsibility statement was signed on its behalf by:

Susan Platts-Martin

Chair

2 October 2019

INFORMATION FOR SHAREHOLDERS

Shareholder communications

Website

The Company's website is www.witanpacific.com. The website provides visitors with a comprehensive range of performance statistics, Company information and literature downloads. The Company's profile is also available on third party websites such as www.edisoninvestmentresearch.com, www.trustnet.com and www.morningstar.co.uk.

Annual and Half Year Reports

Copies of the Annual and Half Year Reports may be obtained by request through the website.

Share price and NAV information

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

SEDOL number:	0365602
ISIN number:	GB0003656021
EPIC 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 *The Times* and *The Daily Telegraph*.

Electronic communications with the Company (e-communications)

Shareholders have the opportunity to be notified by e-mail when the Witan Pacific Annual Report and Accounts, Half Year Report 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
web.queries@computershare.co.uk
 0370 707 1410

You should have to hand your shareholder reference number, which is detailed on your certificate.

INFORMATION FOR SHAREHOLDERS continued

Association of Investment Companies

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	October
Annual General Meeting	June
Dividends paid	June & October

2019 interim dividend timetable

The interim dividend for the period ended 31 July 2019 is 2.55p per share.

Ex-dividend date	17 October 2019
Record date	18 October 2019
Payment date	28 October 2019

Company registration

Company registration number 91798.

Enquiries

Company	WitanPacificInvestmentTrustPlc
Secretary	@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.

INFORMATION FOR SHAREHOLDERS continued

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 contact either the Company Secretary or the Registrar on the number provided at the back of this Half Year Report.

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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 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 Alliance Trust Savings, Ascentric, Nucleus, Raymond James, Seven IM, Fidelity 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 used by Witan Pacific shareholders include Barclays Smart Investor, Halifax Share Dealing, Hargreaves Lansdown, Selftrade, Fidelity and Interactive Investor.

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.

HOW TO INVEST *continued*

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.

GLOSSARY

Definitions of 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 NAV, on a cum-income value to cum-income value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

NAV total return calculation	Half year ended 31 July 2019	Half year ended 31 July 2018	Year ended 31 January 2019	
Opening cum-income NAV per share (pence)	352.54	386.58	386.58	(a)
Closing cum-income NAV per share (pence)	380.86	380.82	352.54	(b)
Total dividend adjustment factor ¹	1.012710	1.008465	1.015617	(c)
Adjusted closing cum-income NAV per share (d = b x c) (pence)	385.70	384.00	358.00	(d)
Net asset value total return (e = d/a - 1)	9.4%	-0.7%	-7.4%	(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 issued by the Association of Investment Companies.

Premium/discount

The amount by which the market price per share is either higher (premium) or lower (discount) than the NAV per share expressed as a percentage of the NAV per share.

GLOSSARY continued

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.

Share price total return calculation	Half year ended 31 July 2019	Half year ended 31 July 2018	Year ended 31 January 2019	
Opening share price (pence)	303.00	344.00	344.00	(a)
Closing share price (pence)	340.00	327.00	303.00	(b)
Total dividend adjustment factor ¹	1.014107	1.009745	1.018366	(c)
Adjusted closing share price (d = b x c) (pence)	344.80	330.20	308.60	(d)
Share price total return (e = d/a - 1)	13.8%	-4.0%	-10.3%	(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 last traded price quoted at the ex-dividend date.

DIRECTORS AND ADVISERS

Directors

Susan Platts–Martin

Chair

Dermot McMeekin

Senior Independent Director and Chair of the Nomination and Remuneration Committee

Christopher Ralph

Independent Director

Andrew Robson

Independent Director and Chair of the Audit Committee

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

Executive Manager

Witan Investment Services Limited

14 Queen Anne's Gate
London SW1H 9AA

Portfolio Managers

Aberdeen Asset Managers Limited

10 Queen's Terrace
Aberdeen AB10 1YG

Dalton Investments LLC

1601 Cloverfield Boulevard, Suite 5050N
Santa Monica, CA 90404, USA

Matthews International Capital Management, LLC

Four Embarcadero Center, Suite 550
San Francisco, CA 94111, USA

Robeco Institutional Asset Management B.V.

Weena 850, 3014 DA Rotterdam
The Netherlands

DIRECTORS AND ADVISERS continued

Company Secretary and Registered Office

Link Company Matters Limited
Beaufort House, 51 New North Road
Exeter EX4 4EP

Fund Accountants and Administrator

BNP Paribas Securities Services
10 Harewood Avenue
London NW1 6AA

Independent Auditors

Ernst & Young LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Custodian and Bankers

JPMorgan Chase Bank, N.A.
125 London Wall
London EC2Y 5AJ

The Royal Bank of Scotland plc

7th Floor, 135 Bishopsgate
London EC2M 3UR

Registrars

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

Telephone: 0370 707 1410

Facsimile: 0370 703 6101

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

Website: www.investorcentre.co.uk

Broker

J.P. Morgan Cazenove
25 Bank Street, Canary Wharf
London E14 5JP

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