

Witan Pacific  
Investment Trust PLC

Half Year Report

2015

*A broader view of the entire Asia Pacific region*

Witan Pacific investment trust

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# Key information

**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 Free Index ("MSCI Index") in Sterling terms.**

## Strategy

- Employ an active multi-manager approach to add value and diversify risk
- Appoint Managers to access the wide range of opportunities in the Asia Pacific region, seeking capital return and income growth
- Aim to increase the dividend per share ahead of UK inflation rates
- Buy back shares when the Company's shares are standing at a substantial and anomalous discount to their Net Asset Value
- Control costs seeking to maintain ongoing charges (excluding performance fees) of less than 1% per annum

## Why choose Witan Pacific Investment Trust?

- The only investment trust with a strategic focus across the entire Asia Pacific region, including Japan, China, Australia and India – investing in companies operating across this increasingly interdependent region
- A multi-manager strategy – three experienced active Managers with established track records employing different approaches, resulting in distinctive portfolios
- The combination of Managers offers a portfolio of stocks reflecting their best ideas, independent of index weightings
- Investment performance – 0.8% per annum outperformance<sup>1</sup> of the benchmark since the introduction of the multi-manager approach in 2005 and outperformance<sup>2</sup> in 7 of the 10 individual years since that introduction<sup>3</sup>
- Growing income – twice yearly dividend payments to shareholders and the aim of dividend growth in real terms
- Governance by an experienced, independent Board of Directors

<sup>1</sup> Source: Datastream. Average annual total return including dividends reinvested.

<sup>2</sup> Source: Datastream. Dividends reinvested.

<sup>3</sup> 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.

# Financial summary

## Key data

	31 July 2015	31 January 2015	% change
Net Asset Value per share	<b>276.54p</b>	279.45p	↓ 1.0%
Share Price	<b>245.00p</b>	244.00p	↑ 0.4%
Discount	<b>11.4%</b>	12.7%	

## Cumulative Performance (Total Return)

	6 months	1 year	3 years	5 years
Net Asset Value per share*	-0.2%	7.0%	22.5%	37.6%
Share Price*	1.3%	8.0%	27.4%	49.7%
Benchmark*	-1.1%	6.0%	30.3%	37.4%

## Income

	31 July 2015	31 July 2014	% change
Revenue return per share	<b>2.84p</b>	2.23p	↑ 27.4%
Interim dividend per share	<b>2.15p</b>	2.10p	↑ 2.4%

## Ongoing charges (6 months)

	31 July 2015	31 July 2014
Excluding performance fees	<b>0.52%</b>	0.54%
Including performance fees	<b>0.52%</b>	0.60%

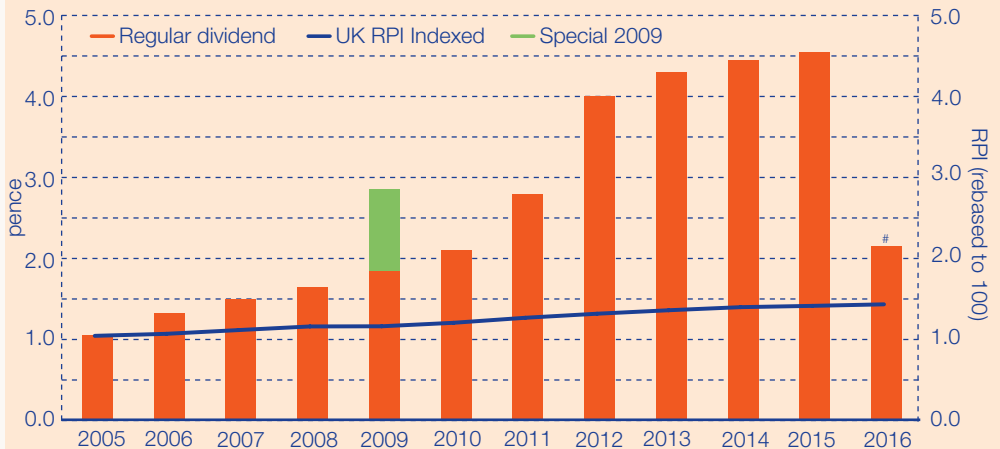
\* Source: Datastream. Dividends reinvested.  
With effect from 28 March 2014 the Company's policy is not to employ gearing.

# Long-term performance analysis

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

	Cumulative return	Annualised return
Net Asset Value per share*	137.7%	8.9%
Share Price*	140.8%	9.0%
Benchmark*	119.9%	8.1%

## Dividend record (Witan Pacific dividends vs UK RPI since 2005)\*\*



\* Source: Datastream. Dividends reinvested.

\*\* Source: Datastream.

# Interim dividend only.



## Performance and investment approach

The period from 31 January 2015 to 31 July 2015, which is the first six months of our financial year, saw a slight decline in your Company's net asset value, and a small positive return for its shares. This stability masks a relatively sharp contrast between further gains in the Japanese equity market, offset by overall falls in value in the mainland Asian and Australian markets, in sterling terms. To be more specific: the regional benchmark index provided a total return of -1.1%, while the Company's net asset value total return was -0.2%. This relative outperformance of 0.9% was amplified by a slight narrowing of the discount on which our shares trade, to generate a share price total return of +1.3%, which is 2.4% ahead of the benchmark. We provide more detail on the moving parts behind this result below.

There has been some turmoil in markets from the middle of June and particularly since the end of the reporting period. The Chinese "A" share market which had risen very sharply in recent times and peaked in mid-June, continued to fall sharply. The "A" share market has historically been the preserve of domestic investors but moves to liberalise ownership have taken place in recent years. Its fall took with it to some extent, the prices of Hong Kong-listed Chinese shares owned by overseas investors and other shares with significant Chinese exposure. Other investment worries included falling commodity prices which adversely affect some of the largest companies in the region, concerns about the possibility of rising interest rates in the US, and the willingness of the Chinese authorities to let their currency weaken. These combined to unnerve investors in the short term.

Through the multi-manager structure adopted by the Company, and through the experience of our managers, we seek to reduce the impact of such turbulence although we cannot by any stretch of the imagination make our portfolio immune. We would expect, but cannot guarantee, that in such difficult times the portfolios are likely to fall by a little less than the market as a whole and so far, in the period since the half year end, that has been the case.

In terms of the quantitative characteristics which we observe, the aggregate level of gearing of the companies in which we invest is lower than average, we have slightly more stable earnings growth, and lower correlations with general equity market moves. Our equity investments are well diversified, but we maintain an active approach to investment management.

There have been no significant changes in the investment styles of each of the three managers appointed by the Company over the period. The Board visited all three managers in March for face to face updates on investment matters, on organisational structures and on anything else which might affect the management of the assets entrusted to them. We were pleased to see the development of the risk management structures and reporting at GaveKal in Hong Kong and, following some

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## HIGHLIGHTS

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- NAV total return of -0.2%, compared with the benchmark -1.1%
  - Share price total return of 1.3%
  - 5 year NAV total return of 37.6%, compared with the benchmark 37.4%
  - Outperformed in 7 out of the 10 years since becoming multi-manager in May 2005
  - Interim dividend increased by 2.4% to 2.15p
- 

disappointing performance in 2013, the team appears to be better placed and has been performing well over the last 18 months or so. We visited Aberdeen in Singapore and discussed team development, their engagement with some of their larger holdings and their relative scepticism about China and Japan. We also visited Matthews in San Francisco, spending time talking about the impact of the developing slowdown in China. They remain reasonably confident and we discussed whether there was a point in the future at which we could invest a small part of the portfolio they manage in the domestic “A” share market, which currently we do not do. We also visited other fund managers, who kindly gave us their views of the investment outlook as well as providing an introduction for us as we monitor and review our existing managers. That is not to say that we have any thought at the moment of making changes in the shorter term, but it is helpful to understand other approaches to give us context.

## Performance analysis

The overall portfolio, which is formed of the combination of your three managers’ sub-portfolios, outperformed by 1.6% (before costs), relative to the benchmark’s total return of -1.1%. Within this, Matthews’ portfolio outperformed by about 5.6%, GaveKal outperformed by about 0.4% (after fees), and Aberdeen underperformed by about 2.0%. The major detractors from relative performance were an underweight position in Japan, whose market performed very strongly and some individual stock performance in the Aberdeen portfolio. However, these detractors were outweighed by good asset allocation decisions by GaveKal, particularly strong stock selection by Matthews and an overall underweight position in Australia (particularly in Australian Banks).

## Board

Alan Barber retired from the Board and as Chairman of the Audit and Management Engagement Committee at the AGM held in June 2015. The Board has benefited greatly from his experience and expertise over the years, for which we record our thanks on shareholders’ behalf. He has been replaced by Andrew Robson, who joined the Board in July 2014 and is a qualified accountant with substantial corporate finance and investment company experience.

## Dividend

We indicated in 2012 that we expected over the long term to be able to increase our dividend in real terms, as a consequence of the strength of the companies in which we invest in the Asia Pacific region and of the growing willingness of companies to distribute profits to shareholders. Although revenue earnings came under pressure in 2013 and 2014, owing to weakness in portfolio dividends as well as strength in sterling (which reduces the value of dividends paid in regional currencies when translated



into sterling), after careful consideration the Company took the view that the underlying prospects for growth in dividends from the portfolio remained good. Consequently, the dividend was raised by more than the inflation rate in both years, even though this meant drawing modestly on the Company's (substantial) revenue reserves to support the pay-out.

We are pleased to report that the current year has shown a return to growth in dividends received from the portfolio, as well as an abatement in the strength of sterling. Revenue earnings per share in the first half of the current financial year were 2.8p, an increase of 27% on the figure at the same stage in 2014. Whilst caution is necessary in extrapolating such a trend it supports the Board's hope that dividend cover would rebuild during the current and forthcoming years. Consequently, the Company will pay an interim dividend of 2.15p per share for this half year period, a rise of 2.4% compared with that paid for the same period last year.

### Buybacks

We have continued to use our buyback powers to buy back shares in accordance with our policy, which is to do so when the shares stand at a substantial and anomalous discount to net asset value. Over the period we bought back 22,478 shares, and since the end of July, we have bought back a further 38,000 (full details can be found in Note 7 on page 18).

### Outlook

At the time of writing, there is market concern about the prospects for economic growth, causing significant market and currency moves in Asian markets. As outlined above, the major topics on which commentators focus are the Chinese economy, the Chinese "A" share market, the weakening of the Chinese currency, the weakness of commodity prices for some of the countries in the region, possible currency instability, the timing of US rate rises and concern that all of this might result in more systemic problems. There are also differing views of the ability of the Japanese economy to maintain its Abe led momentum.

However, our managers, when we visited them, were confident about the longer term growth in the region and the benefits of social and corporate reform, although they did express some concerns about the level of the Chinese "A" share market. Falls in commodity prices benefit a number of economies in the region yet most recent market reactions have been seen in the share prices of commodity producers. Valuations, which were not particularly depressed earlier in the year, are coming down quite sharply. This perhaps reflects worries over future corporate prospects but provides a better investing background. Amid all this, Aberdeen and Matthews are careful selectors of stocks and the



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current environment will provide opportunities. Gavekal have the objective of negotiating the turmoil to our advantage, combining top-down assessments with stock selection. Despite the recent turbulence, we expect current conditions will provide opportunities for our managers and we retain our longer term perspective and confidence in the companies in which we can invest in the region.



**Sarah Bates**

Chairman

29 September 2015

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# Portfolio information

## Manager performance for the half year ended 31 July 2015 and from appointment to 31 July 2015

	Appointment date	Managed assets		Performance		Annualised performance*	
		£m	%†	manager %	benchmark %	manager %	benchmark %
Aberdeen	31 May 2005	78.4	43.3	-3.1	-1.1	10.6	8.1
Matthews	30 April 2012	83.1	46.0	4.5	-1.1	11.4	8.2
GaveKal†	24 April 2012	19.4	10.7	-0.7	-1.1	7.7	8.5

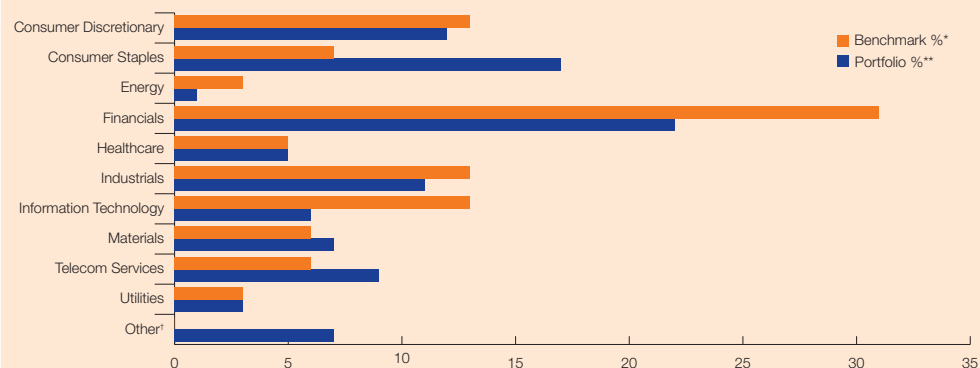
# Excluding cash balances held centrally by Witan Pacific.

† Returns are net of the management fee charged within the UCITS OEIC.

\* Since appointment.

Source: WM Company.

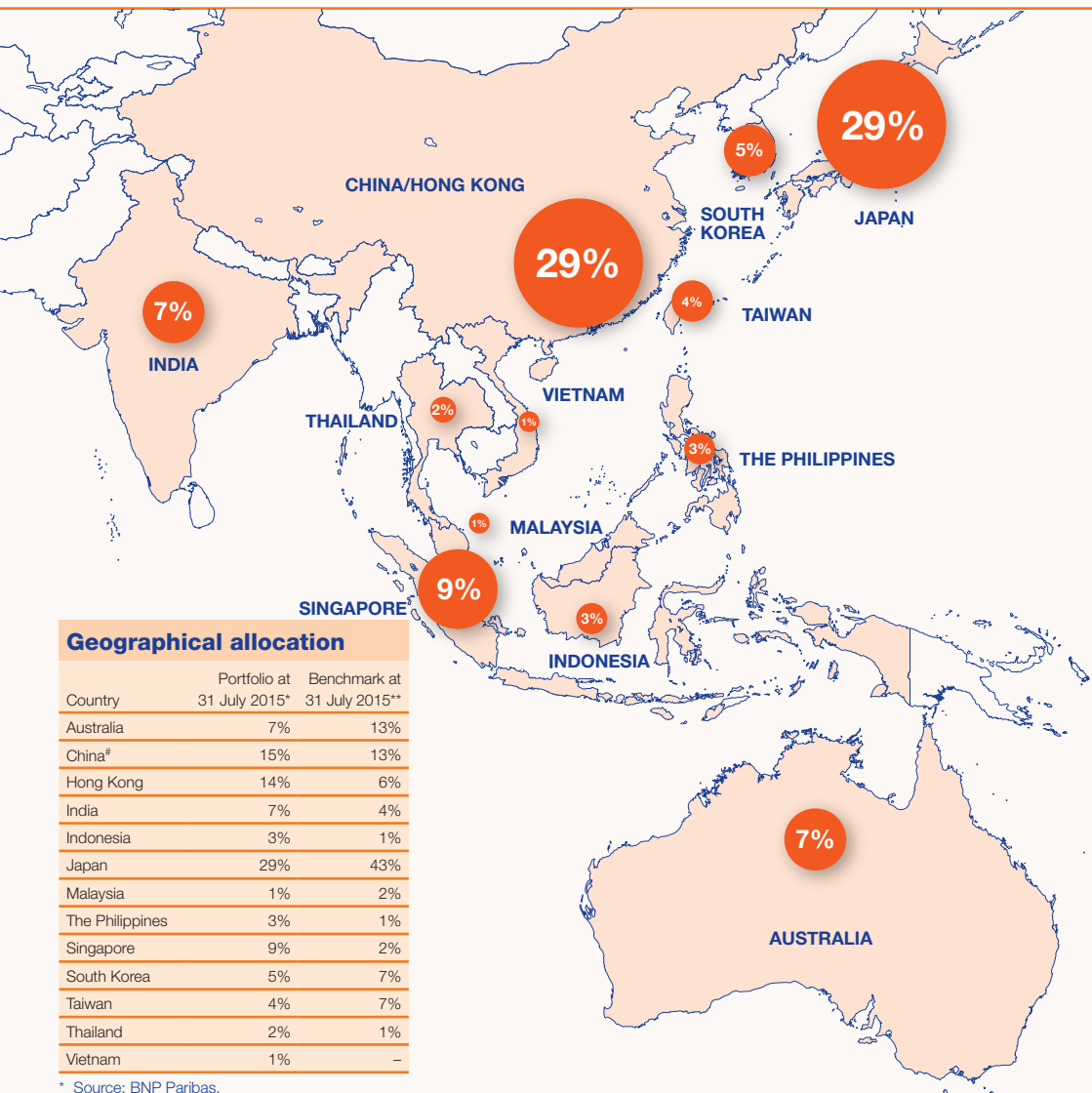
## The Company's equity portfolio by Sector Analysis at 31 July 2015



\* Source: MSCI.

\*\* Source: BNP Paribas.

† On a look through basis, this includes 4% for Aberdeen Global Indian Equity Fund (UCITS) and 3% of fixed income bonds within the GaveKal Asian Opportunities Fund (UCITS).



### Geographical allocation

Country	Portfolio at 31 July 2015*	Benchmark at 31 July 2015**
Australia	7%	13%
China <sup>#</sup>	15%	13%
Hong Kong	14%	6%
India	7%	4%
Indonesia	3%	1%
Japan	29%	43%
Malaysia	1%	2%
The Philippines	3%	1%
Singapore	9%	2%
South Korea	5%	7%
Taiwan	4%	7%
Thailand	2%	1%
Vietnam	1%	-

\* Source: BNP Paribas.

\*\* Source: MSCI.

# Includes Yum! Brands and Qualcomm which are both incorporated in the US.

# Top twenty investments

as at 31 July 2015

This period	Last period*	Company	Country	% of total investments	Value £'000
1	(1)	<b>GaveKal Asian Opportunities Fund (UCITS)</b>	Far East & Asia Pacific	10.9	19,373
2	(2)	<b>Aberdeen Global Indian Equity Fund (UCITS)</b>	India	4.1	7,200
3	(3)	<b>Japan Tobacco</b>	Japan	3.1	5,550
4	(4)	<b>Taiwan Semiconductor Manufacturing</b>	Taiwan	2.2	3,950
5	(6)	<b>China Mobile</b>	China	2.1	3,703
6	(5)	<b>Toyota Motor</b>	Japan	2.0	3,561
7	(8)	<b>Oversea-Chinese Banking Corporation</b>	Singapore	1.8	3,268
8	(19)	<b>HSBC Holdings</b>	Hong Kong/UK	1.7	3,102
9	(10)	<b>Singapore Technologies Engineering</b>	Singapore	1.5	2,664
10	(-)	<b>Shenzhou International</b>	China	1.5	2,614
11	(9)	<b>AIA</b>	Hong Kong	1.4	2,568
12	(-)	<b>Seven &amp; I Holdings</b>	Japan	1.4	2,549
13	(15)	<b>Hoya</b>	Japan	1.4	2,513
14	(13)	<b>Swire Pacific</b>	Hong Kong	1.4	2,496
15	(11)	<b>Shin-etsu Chemical</b>	Japan	1.4	2,443
16	(18)	<b>Suntory Beverage &amp; Food</b>	Japan	1.3	2,334
17	(-)	<b>QBE Insurance</b>	Australia	1.2	2,202
18	(-)	<b>Bridgestone Corporation</b>	Japan	1.2	2,198
19	(-)	<b>Chugai Pharmaceutical</b>	Japan	1.2	2,197
20	(-)	<b>KT&amp;G Corporation</b>	Korea	1.2	2,099
<b>Totals</b>				<b>44.0</b>	<b>78,584</b>

\* The figures in brackets denote their position within the top 20 at the previous year end. The country shown is the country of incorporation.

The value of the twenty largest holdings represents 44.0% (31 January 2015: 45.9%) of the Company's total investments.

The full portfolio listing is published monthly (with a three month lag) on the Company's website.

# Condensed statement of comprehensive income

for the half year ended 31 July 2015

	Notes	(Unaudited) Half year ended 31 July 2015			(Unaudited) Half year ended 31 July 2014			(Audited) Year ended 31 January 2015		
		Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss		–	(2,079)	(2,079)	–	13,780	13,780	–	25,314	25,314
Exchange losses		–	(79)	(79)	–	(66)	(66)	–	(68)	(68)
Income	2	2,917	–	2,917	2,418	–	2,418	4,464	–	4,464
Management fees	3	(420)	–	(420)	(399)	–	(399)	(830)	–	(830)
Performance fees	3	–	(3)	(3)	–	(100)	(100)	–	(103)	(103)
Other expenses		(444)	(19)	(463)	(387)	(33)	(420)	(722)	(43)	(765)
<b>Net (loss)/return before finance charges and taxation</b>		<b>2,053</b>	<b>(2,180)</b>	<b>(127)</b>	1,632	13,581	15,213	2,912	25,100	28,012
Finance charges		–	–	–	(17)	–	(17)	(17)	–	(17)
<b>Net (loss)/return on ordinary activities before taxation</b>		<b>2,053</b>	<b>(2,180)</b>	<b>(127)</b>	1,615	13,581	15,196	2,895	25,100	27,995
Taxation on ordinary activities		(183)	–	(183)	(144)	–	(144)	(267)	–	(267)
<b>Net (loss)/return on ordinary activities after taxation</b>		<b>1,870</b>	<b>(2,180)</b>	<b>(310)</b>	1,471	13,581	15,052	2,628	25,100	27,728
<b>(Loss)/return per Ordinary share – pence</b>	5	<b>2.84</b>	<b>(3.31)</b>	<b>(0.47)</b>	2.23	20.58	22.81	3.98	38.05	42.03

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

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

The Company had no recognised gains or losses other than those disclosed in the Condensed statement of comprehensive income.

# Condensed statement of changes in equity

for the half year ended 31 July 2015

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Half year ended 31 July 2015 (unaudited)</b>						
At 31 January 2015	16,486	5	41,085	115,636	11,068	184,280
Net (loss)/return on ordinary activities after taxation	–	–	–	(2,180)	1,870	(310)
Dividends paid in respect of year ended 31 January 2015	–	–	–	–	(1,615)	(1,615)
Purchase of own shares	–	–	–	(55)	–	(55)
At 31 July 2015	16,486	5	41,085	113,401	11,323	182,300
<b>Half year ended 31 July 2014 (unaudited)</b>						
At 31 January 2014	16,512	5	41,059	90,761	11,409	159,746
Net return on ordinary activities after taxation	–	–	–	13,581	1,471	15,052
Dividends paid in respect of year ended 31 January 2014	–	–	–	–	(1,584)	(1,584)
Purchase of own shares	(26)	–	26	(225)	–	(225)
At 31 July 2014	16,486	5	41,085	104,117	11,296	172,989
<b>Year ended 31 January 2015 (audited)</b>						
At 31 January 2014	16,512	5	41,059	90,761	11,409	159,746
Net return on ordinary activities after taxation	–	–	–	25,100	2,628	27,728
Dividends paid in respect of year ended 31 January 2014	–	–	–	–	(1,584)	(1,584)
Dividends paid in respect of year ended 31 January 2015	–	–	–	–	(1,385)	(1,385)
Purchase of own shares	(26)	–	26	(225)	–	(225)
At 31 January 2015	16,486	5	41,085	115,636	11,068	184,280

# Condensed statement of financial position

at 31 July 2015

		(Unaudited) 31 July 2015 £'000	(Unaudited) 31 July 2014 £'000	(Audited) 31 January 2015 £'000
	Notes			
<b>Fixed assets</b>				
Investments held at fair value through profit or loss		177,481	167,594	178,620
<b>Current assets</b>				
Debtors		717	756	986
Cash at bank and in hand		4,634	5,261	5,893
		5,351	6,017	6,879
<b>Creditors: amounts falling due within one year</b>				
Other		(529)	(622)	(1,219)
		(529)	(622)	(1,219)
<b>Net current assets</b>		4,822	5,395	5,660
<b>Total assets less current liabilities</b>		182,303	172,989	184,280
Provision for liabilities and charges	6	(3)	–	–
<b>Net assets</b>		182,300	172,989	184,280
<b>Capital and reserves</b>				
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		113,401	104,117	115,636
Revenue reserve		11,323	11,296	11,068
<b>Total shareholders' funds</b>		182,300	172,989	184,280
<b>Net Asset Value per Ordinary share – pence</b>	8	276.54	262.33	279.45



# Condensed statement of cash flows

for the half year ended 31 July 2015

	Notes	(Unaudited) Half year ended 31 July 2015 £'000	(Unaudited) Half year ended 31 July 2014 £'000	(Audited) Year ended 31 January 2015 £'000
<b>Net cash inflow from operating activities</b>	9	1,448	384	1,272
<b>Returns on investment and servicing of finance</b>				
Bank and loan interest paid		-	(20)	(20)
<b>Net cash outflow from servicing of finance</b>		-	(20)	(20)
<b>Investing activities</b>				
Purchases of investments		(21,025)	(12,590)	(24,086)
Sales of investments		20,061	23,846	36,496
Capital expenses paid		(23)	(25)	(44)
<b>Net cash (outflow)/inflow from investment activities</b>		(987)	11,231	12,366
<b>Equity dividends paid</b>		(1,615)	(1,584)	(2,969)
<b>Net cash (outflow)/inflow before financing activities</b>		(1,154)	10,011	10,649
<b>Financing activities</b>				
Purchase of own shares		(30)	(225)	(225)
Loan repayment		-	(8,500)	(8,500)
<b>Net cash outflow from financing activities</b>		(30)	(8,725)	(8,725)
(Decrease)/increase in cash		(1,184)	1,286	1,924
<b>Analysis of changes in cash at bank and in hand during the period</b>				
Opening balance		5,893	4,041	4,041
(Decrease)/increase in cash as above		(1,184)	1,286	1,924
Currency differences		(75)	(66)	(72)
<b>Closing balance</b>		4,634	5,261	5,893

# Notes to the financial statements

for the half year ended 31 July 2015

## 1 Accounting policies

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

The accounting policies used for the year ended 31 January 2015 have been applied.

These condensed financial statements are the first since FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) came into effect for accounting periods beginning on or after 1 January 2015. An assessment of the impact of adopting FRS 102 has been carried out and found that no restatement of balances as at the transition date, 1 January 2014, or comparative figures in the Condensed Statement of Financial Position or the Condensed Statement of Comprehensive Income is considered necessary.

## 2 Income

	(Unaudited) Half year ended 31 July 2015 £'000	(Unaudited) Half year ended 31 July 2014 £'000	(Audited) Year ended 31 January 2015 £'000
Income from investments held at fair value through profit or loss:			
Overseas dividends	2,377	2,012	3,727
UK dividends	168	154	361
Overseas scrip dividends	369	251	374
Other income:			
Bank interest	3	1	1
Underwriting commission	-	-	1
	<b>2,917</b>	2,418	4,464

## 3 Transactions with the Managers

On 27 May 2005, the Company appointed Witan Investment Services Limited as Executive Manager and Aberdeen Asset Managers Limited and Nomura Asset Management U.K. Limited as Investment Managers. In April 2012, the Company appointed Matthews International Capital Management LLC and GaveKal Capital Limited to replace Nomura. Each Management Agreement can be terminated at one month's notice in writing.

### 3 Transactions with the Managers (continued)

Each Investment Manager is entitled to a base management fee, at rates between 0.20% and 0.75% 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).

The provisions included in the Condensed statement of comprehensive income at 31 July 2015, are calculated on the actual performance of Aberdeen relative to the benchmark index. The provision for the rest of the year assumes that both the benchmark index remains unchanged and that Aberdeen's assets under management perform in line with the benchmark index to 31 May 2016, being the date the performance period will end. In addition, provisions are made for the performance periods ending 31 May 2017 and 31 May 2018, on the assumption that Aberdeen performs in line with the benchmark to each period end. The total effect of these provisions amounts to £3,000.

	(Unaudited) Half year ended 31 July 2015 £'000	(Unaudited) Half year ended 31 July 2014 £'000	(Audited) Year ended 31 January 2015 £'000
Charged to the revenue return			
Management fee*	496	461	959
Management fee rebates <sup>^</sup>	(76)	(62)	(129)
Total management fees	420	399	830
Charged to the capital return:			
Performance fees	3	100	103

\* The management fee stated above includes fees paid to Witan Investment Services Limited of £117,000 (six months to 31 July 2014: £105,000 and full year to 31 January 2015: £218,000).

<sup>^</sup> The figure relates to a rebate of management fees associated with the GaveKal Asia Opportunities UCITS Fund.

### 4 Dividends per Ordinary share

An interim dividend of 2.15p per Ordinary share (2015: 2.10p) will be paid on 19 October 2015 to shareholders on the register on 9 October 2015.

## 5 (Loss)/return per Ordinary share

The loss per Ordinary share is based on the net loss attributable to the Ordinary shares of £310,000 (half year ended 31 July 2014: net return £15,052,000; year ended 31 January 2015: net return £27,728,000) and on 65,933,041 Ordinary shares (half year ended 31 July 2014: 65,990,883; year ended 31 January 2015: 65,967,247) being the weighted average number of Ordinary shares in issue during the period.

	(Unaudited) Half year ended 31 July 2015	(Unaudited) Half year ended 31 July 2014	(Audited) Year ended 31 January 2015
Revenue return (£'000)	1,870	1,471	2,628
Capital (loss)/return (£'000)	(2,180)	13,581	25,100
Total (loss)/return (£'000)	(310)	15,052	27,728
Weighted average number of Ordinary shares in issue during the period	65,933,041	65,990,883	65,967,247
Revenue return per Ordinary share – pence	2.84	2.23	3.98
Capital (loss)/return per Ordinary share – pence	(3.31)	20.58	38.05
Total (loss)/return per Ordinary share – pence	(0.47)	22.81	42.03

## 6 Provision for liabilities and charges

This represents the estimated performance fees payable for the 3 year performance fee periods ending 31 May 2017 and 31 May 2018, if any. This accrual is based on actual performance to 31 July 2015 and the assumption that Aberdeen performs in line with the benchmark from 31 July 2015 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 elapse of time (since this would increase the proportion of the rolling 3 year performance period to which the performance calculation would be applied) or the termination of Aberdeen's contract.

## 7 Share capital

During the half year ended 31 July 2015; 22,478 Ordinary shares were repurchased and held in treasury, at a total cost of £55,000, (31 July 2014: 104,000 Ordinary shares were repurchased for cancellation and 31 January 2015: no shares were issued or purchased). As at 31 July 2015 there were 65,944,000 Ordinary shares of 25p in issue, of which 22,478 were held in treasury. Subsequent to 31 July 2015, a further 38,000 Ordinary shares were repurchased and held in treasury, at a total cost of £88,000. As at 29 September 2015 there were 65,944,000 Ordinary shares of 25p in issue, of which 60,478 were held in treasury.

## 8 Net Asset Value per Ordinary share

Net asset value per Ordinary share is based on 65,921,522 Ordinary shares of 25p each as at 31 July 2015 (31 July 2014: 65,944,000 and 31 January 2015: 65,944,000).

## 9 Reconciliation of net revenue return before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Half year ended 31 July 2015 £'000	(Unaudited) Half year ended 31 July 2014 £'000	(Audited) Year ended 31 January 2015 £'000
Net (loss)/return before finance charges and taxation	(127)	15,213	28,012
Add/(less) net capital (loss)/return before finance charges and taxation	2,180	(13,581)	(25,100)
Net revenue return before finance costs and taxation	2,053	1,632	2,912
Decrease/(increase) in accrued income and other debtors	24	(68)	(180)
Decrease in creditors	(74)	(685)	(716)
Expenses charged to capital	(3)	(100)	(103)
Scrip dividends	(369)	(251)	(374)
Overseas withholding tax suffered	(183)	(144)	(267)
Net cash inflow from operating activities	1,448	384	1,272

## 10 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 used in making the measurements. The fair value hierarchy shall have the following classifications:

- Class A: quoted prices for identical instruments in active markets;
- Class B: prices of recent transactions for identical instruments; and
- Class C: valuation techniques using observable and unobservable market data.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

	Note	Class A £'000	Class B £'000	Class C		Total £'000
				Observable Inputs £'000	Unobservable Inputs £'000	
<b>As at 31 July 2015</b>						
<b>Financial assets at fair value through profit or loss</b>						
Equity investments	(a)	150,907	26,574	–	–	177,481
<b>Net fair value</b>		<b>150,907</b>	<b>26,574</b>	<b>–</b>	<b>–</b>	<b>177,481</b>

	Note	Class A £'000	Class B £'000	Class C		Total £'000
				Observable Inputs £'000	Unobservable Inputs £'000	
<b>As at 31 January 2015</b>						
<b>Financial assets at fair value through profit or loss</b>						
Equity investments	(a)	151,349	27,271	–	–	178,620
<b>Net fair value</b>		<b>151,349</b>	<b>27,271</b>	<b>–</b>	<b>–</b>	<b>178,620</b>

### (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 Fair Value Class A are actively traded on recognised stock exchanges.

## **11 Results**

The results for the half years ended 31 July 2015 and 31 July 2014, 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 2015, the report of the Auditor thereon was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The comparative figures for the year ended 31 January 2015 have been extracted from those accounts.



# Regulatory disclosures

## **Related party transactions disclosures**

During the period to 31 July 2015, related party transactions included dividends paid to Directors in respect of their shareholdings in the Company. Details of Directors' share holdings and remuneration may be found in the Directors' remuneration report on pages 40 to 43 of the Company's Annual Report for the year ended 31 January 2015. The report is available on the Company's website at [www.witanpacific.com](http://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 investment strategy, investment management resources, regulatory requirements, operational structure and the external economic and financial environment. These risks and the way in which they are managed, are described in more detail in the Annual Report for the year ended 31 January 2015 in the corporate review and in the notes to the financial statements. The risks faced by the Company have not changed significantly over the first 6 months of 2015 and are not expected to change materially in the remaining 6 months. The report is available on the Company's website at [www.witanpacific.com](http://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.

# Responsibility statement of the Directors

in respect of the Half Year Report for the six months ended 31 July 2015

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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 Chairman's statement, regulatory disclosures and portfolio information) includes a fair review of the information required by Rules 4.2.7 R and 4.2.8 R of the Disclosure 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 29 of this report.

This Half Year Report was approved by the Board on 29 September 2015 and the above responsibility statement was signed on its behalf by:



**Sarah Bates**

Chairman

29 September 2015

# Information for shareholders

## Shareholder communications

### Website

The Company's website is [www.witanpacific.com](http://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.trustnet.com](http://www.trustnet.com) and [www.morningstar.co.uk](http://www.morningstar.co.uk)

### Annual and Half Year Reports

Copies of the Annual and Half Year Report may be obtained by calling 0800 082 8180.

### Share Price 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

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 Financial Times, The Times and The Daily Telegraph.

### Electronic Communications with the Company (E-communications)

Shareholders and Witan Wisdom scheme members now have the opportunity to be notified by e-mail when the Witan Pacific Annual Report, 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 one of the following depending on whether you hold shares in your own name (see 1. below) or hold shares through the Witan Wisdom scheme (see 2. below):

1. Shareholders who hold shares in their own name should contact:

Computershare Investor Services PLC  
The Pavilions, Bridgwater Road, Bristol BS99 6ZY  
[www.investorcentre.co.uk/ecomms](http://www.investorcentre.co.uk/ecomms)  
[web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk)  
0370 707 1410

and should have to hand their Shareholder Reference Number.

2. Investors who hold shares through the Witan Wisdom Scheme should contact:

Witan Wisdom  
PO Box 10550 Chelmsford CM99 2BA  
Email: [wisdom@ifdsgroup.co.uk](mailto:wisdom@ifdsgroup.co.uk)  
0800 082 8180

and should have to hand their Witan Wisdom Account Number.

### **Association of Investment Companies**

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

### **Financial Calendar**

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

### **2015 Interim dividend timetable**

The interim dividend for the period ended 31 July 2015 is 2.15p per share.

Ex-dividend date	8 October 2015
Record date	9 October 2015
Payment date	19 October 2015

### **Company Registration**

Company registration number 91798

### **Enquiries**

Witan Wisdom Saving Plans  
0800 082 8180  
[wisdom@ifdsgroup.co.uk](mailto:wisdom@ifdsgroup.co.uk)

Company Secretary  
Capita Company Secretarial Services Limited  
020 7954 9526

## 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 £20m 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 [www.fca.org.uk/register](http://www.fca.org.uk/register) 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](http://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 Half Year 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 at [www.thewma.co.uk](http://www.thewma.co.uk)

## Financial Advisers

For investors looking to find a financial adviser, please visit [www.unbiased.co.uk](http://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 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 Alliance Trust Savings, Barclays Stockbrokers, Halifax Share Dealing, Hargreaves Lansdown, Selftrade and TD Waterhouse.

## Witan Wisdom

Witan Wisdom, the savings scheme offered by Witan Investment Services Limited, offers two different savings wrappers that enable investors to access Witan Pacific:

- The **Witan Wisdom ISA** is a stocks and shares ISA that enables investors to buy Witan Pacific shares within a tax efficient wrapper. Investors have an annual ISA allowance of up to £15,240 for the 2015/16 tax year. The minimum lump sum investment with Witan Wisdom ISA is £2,000, with the regular savings minimum being £100 per month. Investors can also transfer existing ISAs to Witan Wisdom while retaining their tax efficient wrapper during and after transfer.
- The **Witan Wisdom Share Plan** is a straightforward, low-cost savings scheme. The minimum lump sum investment is £500, and the minimum regular contribution is £50 per month or quarter. There is no maximum. Accounts can also be held jointly, or designated to a child.
- Brochures and applications for all of the Witan Wisdom products are available by calling 0800 082 8180 or online via [www.witanpacific.com](http://www.witanpacific.com). If you would prefer to write to request further information, the address details can be found on page 24.



- Shareholders who hold their investment via Witan Wisdom are charged a flat annual fee of £30+VAT\* for both the Witan Wisdom Share Plan and ISA. There is no charge, other than government stamp duty, for regular savings or dividend reinvestment. Lump sum dealing is charged at a flat rate of £15 plus government stamp duty.

Witan Pacific Investment Trust PLC is an equity investment company. 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.

\* increases in line with inflation (UK Consumer Price Index) every 3 years compounded. In accordance with this policy, there will be an adjustment in line with inflation applied to the Annual Management Fee with effect from 6 April 2017.

# Directors and advisers

## Directors

Sarah Bates

*Chairman*

Dermot McMeekin

*Senior Independent Director and Chairman of the Nomination and Remuneration Committee*

Andrew Robson *Independent Director and Chairman of the Audit and Management Engagement Committee*

Diane Seymour-Williams *Independent Director*

Susan Platts-Martin *Independent Director*

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

## Executive Manager

Witan Investment Services Limited

14 Queen Anne's Gate

London SW1H 9AA

## Investment Managers

Aberdeen Asset Managers Limited

10 Queen's Terrace

Aberdeen AB10 1YG

Matthews International Capital Management, LLC

Four Embarcadero Center, Suite 550,

San Francisco, USA

GaveKal Capital Limited

Suite 3101, Central Plaza,

18 Harbour Road, Wanchai, Hong Kong

## Company Secretary and Registered Office

Capita Company Secretarial Services Limited

1st Floor

40 Dukes Place

London EC3A 7NH

## Fund Accountants and Administrator

BNP Paribas Securities Services

55 Moorgate

London EC2R 6PA

## Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside

London SE1 2RT

## Custodian and Bankers

J.P. Morgan 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: 0870 707 1410

Facsimile: 0870 703 6101

*Calls cost approximately 8p per minute plus network extras from a BT landline, other telephone provider costs may vary*

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

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

## Witan Wisdom Scheme

Witan Wisdom

PO Box 10550

Chelmsford CM99 2BA

Telephone: 0800 082 8180

Email: [wisdom@ifdsgroup.co.uk](mailto:wisdom@ifdsgroup.co.uk)

## Broker

J.P. Morgan Cazenove

25 Bank Street

Canary Wharf

London E14 5JP

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

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

